



Hello and another Happy Friday to All

What a beautiful day we are enjoying. The temps are nice but being able to see the sun just puts everybody in a better mood.

This may be one of the shortest newsletters that I have written which translates into “everything is good with the economy and markets.”

The inflation numbers are also making everybody feel good today. The revised CPI for December went down by .1% and January’s CPI will be released next week.

The earnings season was positive with 81% of the companies beating analysts’ expectations. Unemployment is expected to rise very little this year, and job creation is expected to average about 190,000 per month for the rest of 2024. There are very few who will disagree that our economy is doing very well, and there have been no rate cuts as of yet. The general consensus seems to indicate that most are expecting cuts to begin in May. While I stated that to be my belief two weeks ago in my letter, I am willing to speculate that we may not see a rate cut until the 3rd quarter of this year. My reason for thinking this way is why would the Fed cut rates while the economy is doing so good and take a chance at sparking another inflation scare? I have said this a couple of times over the years, our economy should be very prosperous with rates between 4 & 6%. I fully expect us to be at the current rate level until the economy begins to cool down. At that time the Fed should cut rates to jump start the economy. Then we should experience another increase in all the major markets. It will be during this time when we will be faced with the decision as to when to secure gains.

For now, I recommend that we enjoy the calm waters, yet be mindful of times when allocating from cash or money market accounts into mutual funds may make sense.

I hope that you are able to get out in the yard or take walk this weekend and enjoy this beautiful spring weather.

Remember to call or email with your questions or concerns anytime. If I can provide a quick answer and give you peace of mind, I will gladly help you anytime.

Take care,

Brett