



A happy rainy Friday to you.

April showers bring May flowers, just one month early. I believe the office tulips will be blooming soon.

For the first time in a long time the DOW is down for a two-week period, but only about 1%. The S&P and NASDAQ are both up about 1% during the same time.

There has been a lot of reports over the past two weeks that have provided a different message which can be interpreted differently depending on who is reviewing the report. With every report the Gurus try to predict how Powell is going to view the numbers then make their bets as to whether he will raise or lower rates. While this makes for good bantering on the news channels, I believe it only causes confusion for the average investor.

I still believe that Powell has no intention of lowering rates until the economy begins to constrict. Inflation could cause this, but a more pressing issue is the US consumer credit card debt. A report released last week indicated that credit card 30-day delinquencies are increasing. This is very concerning, because most credit card interest rates are variable. I think we are just starting to see the tip of the iceberg for the impact that last year's raising rates had on the average consumer. Eventually consumer spending will have to slow down because credit cards have a limit, and the balances have to be paid. Also remember that we have not witnessed the assumed summer gas increase, which could compound this dilemma. As the consumer begins to decrease their spending, the impact on company earnings will be felt. This is one part of the equation that I believe Powell is trying to stay in front of so that our economy does not go too far and slip into a recession. Keep in mind that any rate decrease will take a while to work its way through the economy as well, but the markets look forward. So, if Powell can cut interest rates at the right time, then our economy could stay positive and continue to experience moderate growth. The markets are pricing in a rate cut around June. I think the rate cuts will come during the July or September meeting. A sooner cut could indicate that our economy is slowing quicker than anticipated and the FED is trying to get ahead of it.

So, what does all this mean? In a nutshell, I believe that the overall markets should experience positive growth over the next 12-18 months. We may experience some volatility like we did this past week, but I do not foresee any major corrections coming. I also believe that we will have the opportunity to enjoy and utilize the higher interest rates until the 3<sup>rd</sup> or 4<sup>th</sup> quarter this year.

Good news for those who have Medicare Supplements or may be purchasing one in the near future. One of the companies we represent will begin offering Dental, Vision, and a Hearing Hardware discount on April first. We plan on quoting everyone as we meet with and review, but if this is a benefit that you would like to know more about now, please call the office and ask for myself or Roy.

Have a wonderful weekend and enjoy the sun. Remember that you can call me anytime on my cell, 815-973-3636 if you have a question or concern.

Take care,

Brett