Happy Friday

And what a beautiful day it is. I believe we can safely say that Spring has arrived and that we can put away our winter coats!

Well, hasn't the past two weeks been enjoyable in regard to watching the major indices? Most of the headlines for the past two weeks have been describing how our economy is on the brink of collapse, and I believe that these headlines have a terrible impact on everyday main street investors. These types of headlines are meant to cause panic, and in most cases they do. When this happens and people start to withdraw from their investments, the possibility of the "Robo" trader programs kick in when the algorithms dictate.   This can cause a sell-off which cannot be explained. I believe that type of selling has happened lately, and then headlines are manufactured to justify the sell-off.

I believe this for the following reasons:

- The jobs market is still very strong. Even though the past two month's reports were revised down, the April report came out 73,000 jobs higher than expected. Companies are still hiring, be it at a slower pace, which is also good news.
- Hourly pay rate increased slightly for the month. I believe this to be good news because people can still positively adjust to the higher prices without using credit cards.
- Credit Card usage is down as compared to a year ago.
- The greatest gains in jobs this past month were in Leisure and Entertainment. If the economy is falling apart this, number does not back up that notion. I also believe that there is a positive correlation between the positive entertainment industry while credit card usage is declining.
- Used car prices have started to decrease.

These are just a few of the many indicators that I believe indicate that our US economy is still very vibrant. So, why do we have so much volatility? The uncertainty as to what the Fed is going to do! There are already some concerns that have been written in articles that were published this morning that Powell may increase rates in June because of the strong jobs report today. Even if he does, I firmly believe that our economy will still be in safe growth mode with the rates in the 5-6% range. I believe that the rates would have to get closer to double digits before we would begin to witness a true recession. I am praying that does not happen, but I do believe that where the rates are now, they will stabilize our economy and still allow for growth.

The money market dividend rate within the American Funds is still an attractive option to hedge against days when the markets have down days, but one would not participate in up days or an extended rally. All 3 indices are up for 2023 as of May 4th's close. Diversification is a key factor during times like this, and I believe that we have done a good job of doing that. But changes can always be discussed and readjusted as the markets dictate.

Please do not hesitate to call me if you have any questions or concerns. We have been doing a lot more phone reviews and GoTo Meetings lately just so we can do a 15–20 minute review of your accounts. This has worked very well as we are able to touch base with twice as many people during the week versus meeting in person. Although, I still cherish the face-to-face interviews and will insist that we try to do that at least once a year.

Take care!

Brett