



Happy Friday

I hope that you enjoyed a wonderful Labor Day weekend. The good Lord provided us with wonderful weather to finish our summer, but He wasted no time in bringing in the fall weather.

Today's letter is going to be a lot shorter than normal because I feel like I could just copy and paste from the past couple month's letters to describe the past two weeks.

I believe the next two weeks will present us with some extra volatility as the markets try to anticipate what the Fed will do during their September 19/20th meeting. I am not sure how Powell and his committee could justify a rate increase because job growth, home sales, and consumer spending are all slowing down.

Oil is inching its way to \$100 barrel which could have a negative impact on consumer spending as the price per gallon could increase even higher than it is now. Fuel for our cars is a necessity for most, so consumers have a hard time cutting that expense from their budget and choose other areas to cut spending such as dining out or other discretionary spending. My concern is that the higher credit card rates have not fully hit the households and when they do, this will be another area that will require more of the monthly budget, thus driving consumer spending lower.

Higher oil prices and the fear of higher interest rates has the markets in a wait and see mode, so that is what I suggest we do as well.

One more issue that will be grabbing more headlines as September 30th draws closer, and that is the possibility of a government shut down due to a budget impasse. I have a feeling that this one could get ugly as there are many in congress who are vowing to dig in their heels until DC spending is brought under control. I 100% support reducing government spending, but we may have to endure some short-term pain to achieve it.

I am not trying to push the panic button, but I feel like the next 3 weeks are going to be much different than what we have experienced this year. I assure you that I will be watching the news closely and if necessary, I will send an email update with an explanation of what is going on.

Always remember that you can call me at 815-973-3636 anytime or send me an email.

Take care,

Brett