



## Weekly Focus – Think About It

“It’s good to do uncomfortable things. It’s weight training for life.”

—Anne Lamott, author

# THE MARKETS

## INFLATION IS LOWER – AND SO ARE SOME RETAIL PRICES

There was a lot of good news last week about the cost of products and services in the United States.

- **First, inflation is slowing down.** For the second month in a row, inflation slowed. Headline inflation was 3.3 percent year over year, lower than April’s 3.4 percent.

In May, prices for gasoline and fuel oil, new cars, and clothing moved lower, while the cost of shelter, medical care, and eating out increased. Over the last 12 months, the price of used cars and trucks has dropped the most (-9.3 percent), while the cost of auto insurance has increased the most (+20.3 percent).

- **Second, wholesale prices dropped in May.** “U.S. producer prices unexpectedly declined in May by the most in seven months, another welcome development that will strengthen the Federal Reserve’s confidence in moderating inflation. The producer price index for final demand decreased 0.2% from a month earlier, lower than all estimates in a Bloomberg survey of economists. Compared with a year ago, the PPI rose 2.2%...,” reported Matthew Boesler of *Bloomberg*.

- **Third, some companies are lowering prices.** Over the past few years, a lot of companies boosted corporate profits by lifting prices. Now, as consumers pull back on spending, they’re reversing course. Abha Bhattarai of *The Washington Post* explained:

“...[company] markdowns, and the consumer spending slowdown that prompted them, mark a turning point in the post-lockdown economy, after the sharpest surge in inflation in decades.... Happy consumers mostly have themselves to thank: The price cuts are mostly due to shoppers pulling back on spending, contributing to a gradual slowdown in economic growth... That means retailers are feeling the pinch. After a period of record-high sales and profits, many are struggling to keep customers and attract new ones. Their answer: lowering prices.”

It remains to be seen how lower prices will affect companies’ performance and stock values.

Last week, the Standard & Poor's 500 chalked up four new closing highs and finished the week higher, reported Jacob Sonenshine of *Barron's*. The Nasdaq Composite also gained, while the Dow Jones Industrial Index moved lower. U.S. Treasury bonds rallied with yields on all but the shortest maturities moving lower.

Data as of 6-14-24	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	1.6%	13.9%	24.2%	8.5%	13.5%	10.9%
Dow Jones Global ex-U.S.	-1.6	3.4	6.8	-3.2	3.6	1.5
10-year Treasury Note (Yield Only)	4.2	N/A	3.8	1.5	2.1	2.6
Gold (per ounce)	0.9	12.1	19.2	7.7	11.5	6.2
Bloomberg Commodity Index	0.6	3.8	1.2	2.8	5.7	-2.7

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT Total Return Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods. Sources: Yahoo! Finance, Barron's, djindexes.com, London Bullion Market Association. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

## REGARDS? SINCERELY? ALL THE BEST?

Historically, the complimentary close – the word or phrase that is before your signature at the end of a letter or email – was a way of communicating the level of respect the writer had for the receiver. Centuries ago, when long-distance communication relied on letter-writing, closes were sometimes quite elaborate. For example, *The Los Angeles Times* reported that:

- In the 1500s, the viceroy of Spanish America closed a letter to the king of Spain with the words: “Your Sacred Catholic Caesarean Majesty’s faithful servant who kisses your Majesty’s imperial feet.”
- A couple of centuries later, Thomas Jefferson closed a letter to President George Washington this way: “Your most obedient and most humble servant.” It became a popular option.

It can be difficult to choose a sign off because many traditional closes feel tired, awkward, or impersonal. In general, it’s a good idea to consider who you are sending the email to and why you’re sending it. In some situations, ending with a compliment, a motivational statement, or a call to action can be a sound choice, according to one job site’s career guide. For example, you could try:

- Great working with you
- Keep up the good work
- Stay amazing
- Keep your head up
- Sending positive vibes your way
- You can reach me anytime
- Can't wait to hear from you

Some brave individuals experiment with humor and honesty. If this is your preference, proceed with caution. Here are a few email sign offs that have been shared on social media (many were collected by Renee Hanlon for Parade):

- Lukewarm regards
- Over and out
- Please hesitate to reach out
- If you have any questions, please ask somebody else
- YEET
- May anything you wish upon me happen to you thousandfold
- Don't stop believin'
- Look out, here comes my name

What's your go-to email close?

Best regards,

Andrew Zittell  
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### Sources:

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\* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

\* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.

- \* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
- \* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- \* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- \* Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), <https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM>.
- \* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- \* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- \* The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- \* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
- \* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
- \* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- \* The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
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