



## Weekly Focus – Think About It

“Courage is like — it’s a habitus, a habit, a virtue: you get it by courageous acts. It’s like you learn to swim by swimming. You learn courage by couraging.”

—Marie M. Daly, chemist

# THE MARKETS

## DISINFLATION WAS IN THE AIR!

To the great relief of the Federal Reserve, the American economy has been experiencing “disinflation,” which is a slowdown in the rate of inflation. For example, last week we learned that:

**Inflation fell to a two year low in June.** The Consumer Price Index (CPI) showed that prices rose just 3 percent from June 2022 through June 2023. That was lowest inflation has been in two years, reported Augusta Saraiva of *Bloomberg*.

**Core inflation was lower, but not as low.** The core CPI, which excludes volatile food and energy prices, also dropped to a two-year low, coming in at 4.8 percent. While inflation is still well above the Federal Reserve’s target rate of two percent, the slower rate of increases was welcome news for everyone who has been concerned about the effects of higher costs on their budgets.

**Producer prices flattened.** The Producer Price Index followed on the heels of the CPI. It showed that prices were almost flat for producers, rising just 0.1 percent over the 12 months through June 2023. Reade Pickert of *Bloomberg* reported, “Normalizing global supply chains, stabilizing commodity prices, and a broader shift in consumer demand toward services and away from goods have generally helped alleviate inflationary pressures at the producer level.”

Disinflation should not be confused with deflation, which happens when the inflation rate is negative, and prices fall. While deflation may sound attractive, it is usually associated with undesirable economic conditions, including recessions and stagnant growth, reported the *Federal Reserve Bank of Richmond*.

Last week, major U.S. stock indices finished higher, according to *Barron’s*. The Standard & Poor’s 500 and Nasdaq Composite Indexes hit new highs mid-week on positive inflation and earnings news. U.S. Treasuries rallied early and then changed direction with yields moving higher toward the end of the week, reported Rita Nazareth of *Bloomberg*.

Data as of 7/14/2023	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	2.4%	17.3%	18.9%	12.1%	10.0%	10.4%
Dow Jones Global ex-U.S.	4.6	10.6	16.7	4.3	1.4	2.3
10-year Treasury Note (Yield Only)	3.8	N/A	3.0	0.6	2.9	2.6
Gold (per ounce)	1.6	7.8	14.9	2.6	9.5	4.3
Bloomberg Commodity Index	2.6	-7.3	-6.4	16.5	4.8	-2.0

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.

## NEW FRONTIERS IN FUNGUS

Anyone who has watched *The Last of Us*, a series that features a fungus mutation that turns humans into zombies, may be interested to learn that scientists and engineers have been exploring and developing new ways to harness the power of fungi and bacteria. Here are some of the ideas they're working on:

- Knitted biostructures.** Scientists, engineers and designers have been collaborating to develop bio-fabricated architecture – buildings made from the roots of fungus combined with wool, sawdust and other natural materials. The stumbling block was that fungus roots, a.k.a. mycelium, need a lot of oxygen to grow. The solution was textile knitting that allows a lot of oxygen into the frame, helping mycelium grow more quickly. The research team created a “prototype structure... a nearly six-foot-tall, freestanding three-dimensional dome constructed as a single piece without any joins,” reported Andrew Paul of *Popular Science*.
- Mushroom-skin computer chips.** Researchers think a biodegradable microchip composed of mushroom skin is a possibility. If they're right, the development could “reduce electronic waste and cut greenhouse gas emissions from plastic,” reported Alan Truly of *Digital Trends*. Mushroom skin has also been used to print circuit boards. Fungi could play additional roles in the computers of the future.
- SCOBY technology platforms.** If you make kombucha, you may be familiar with SCOBY (a.k.a. Symbiotic Culture of Bacteria and Yeast). While it's often called a mushroom, it's not actually a fungus. It's a cellulose mat that may be used as a kombucha starter. It is also being used as “a malleable surface on which to print simple circuit boards,” explained Andrew Paul of *Popular Science*. Augmented kombucha surfaces are nonconductive and may prove to be just right for wearable technology

because the surfaces are cheaper, lighter, and more flexible than traditional plastic options.

Mushrooms may help make technology more eco-friendly.

Best regards,

Andrew Zittell  
Yerba Buena Financial Partners

---

## Sources:

Securities offered through "[Your B/D Name Here](#)", Member FINRA/SIPC.

\* These views are those of Carson Coaching, not the presenting Representative, the Representative's Broker/Dealer, or Registered Investment Advisor, and should not be construed as investment advice.

\* This newsletter was prepared by Carson Coaching. Carson Coaching is not affiliated with the named firm or broker/dealer.

\* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.

\* 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.

\* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

\* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

\* Past performance does not guarantee future results. Investing involves risk, including loss of principal.

\* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.

\* There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

\* Asset allocation does not ensure a profit or protect against a loss.

\* Consult your financial professional before making any investment decision.

\* To unsubscribe from the "[Enter the name of your commentary](#)" please [click here](#) or write us at "[Your Address Here](#)".

\* To unsubscribe from the "Enter the name of your commentary" please reply to this email with "Unsubscribe" in the subject line or write us at "Your Address Here".

Sources:

<https://www.bloomberg.com/news/articles/2023-07-12/us-inflation-cools-to-3-and-core-cpi-rises-less-than-forecast> (or go to [https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23\\_Bloomberg\\_US%20Inflation%20Hits%20Two%20Year%20Low\\_1.pdf](https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23_Bloomberg_US%20Inflation%20Hits%20Two%20Year%20Low_1.pdf))  
<https://www.bls.gov/news.release/cpi.nr0.htm>  
<https://www.bloomberg.com/news/articles/2023-07-13/us-producer-prices-rise-at-slowest-pace-in-nearly-three-years> (or go to [https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23\\_Bloomberg\\_US%20Producer%20Prices%20Approach%20Deflation\\_3.pdf](https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23_Bloomberg_US%20Producer%20Prices%20Approach%20Deflation_3.pdf))  
[https://www.richmondfed.org/publications/research/econ\\_focus/2014/q3/jargon\\_alert](https://www.richmondfed.org/publications/research/econ_focus/2014/q3/jargon_alert)  
[https://www.barrons.com/market-data?mod=BOL\\_TOPNAV](https://www.barrons.com/market-data?mod=BOL_TOPNAV) (or go to [https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23\\_Barrons\\_Data\\_5.pdf](https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23_Barrons_Data_5.pdf))  
[https://www.barrons.com/livecoverage/stock-market-today-071323?mod=hp\\_LEAD\\_1\\_B\\_1](https://www.barrons.com/livecoverage/stock-market-today-071323?mod=hp_LEAD_1_B_1) (or go to [https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23\\_Barrons\\_Stock%20Market%20News\\_6.pdf](https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23_Barrons_Stock%20Market%20News_6.pdf))  
<https://finance.yahoo.com/news/asian-equities-poised-extend-weekly-221636024.html>  
<https://www.scientificamerican.com/article/could-the-zombie-fungus-in-tvs-the-last-of-us-really-infect-people/>  
<https://www.popsci.com/technology/mycocrete-fungi-building/>  
<https://www.digitaltrends.com/computing/myceliotronics-future-computer-chips-mushroom-based/> (or go to [https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23\\_Digital%20Trends\\_How%20Computer%20Chips%20Made%20of%20Mushrooms%20Could%20Be%20the%20Future\\_10.pdf](https://resources.carsongroup.com/hubfs/WMC-Source/2023/07-17-23_Digital%20Trends_How%20Computer%20Chips%20Made%20of%20Mushrooms%20Could%20Be%20the%20Future_10.pdf))  
<https://www.popsci.com/technology/unconventional-computing-lab-mushroom/>  
<https://www.popsci.com/technology/kombucha-electronics-circuit-board/>  
<https://interestingengineering.com/culture/25-quotes-from-powerful-women-in-stem-who-will-inspire-you>

Andrew Zittell, CLU®, ChFC®, AIF®, RFC® is a registered representative with, and securities offered through LPL Financial, Member FINRA/SIPC. Investment advice is offered through WCG Wealth Advisors, LLC, a registered investment advisor. The Wealth Consulting Group, WCG Wealth Advisors, LLC, and Yerba Buena Financial Partners are separate entities from LPL Financial. 1-05108952

Securities are offered through LPL Financial, member FINRA/SIPC. Investment advice is offered through WCG Wealth Advisors, LLC, a registered investment advisor. The Wealth Consulting Group, WCG Wealth Advisors, LLC, and Yerba Buena Financial Partners are separate entities from LPL Financial.

The LPL Financial registered representative(s) associated with this website may discuss and/or transact business only with residents of the states in which they are properly registered or licensed. No offers may be made or accepted from any resident of any other state.

1010 B Street, Suite 217 | San Rafael, CA 94901  
(O) 415.334.8000 | (F) | 415.334.8500 | (M) 415.225.4639  
andrew.zittell@ybfp.com | www.ybfp.com