



Weekly Focus – Think About It

“Experience is not what happens to you; it is what you do with what happens to you.”

—Aldous Huxley, author

THE MARKETS

MARKETS WERE RESILIENT

Last week, investors had a lot to process – geopolitics, inflation, consumer sentiment, the possibility of government shutdown – and markets were volatile. Toward the end of the week, some investors were reassured when earnings season kicked off with reports showing major banks posted stronger-than-expected profits during the third quarter. Here’s a brief look at what happened during the week:

War in Israel. Hamas terrorists attacked Israel, and Israel declared war. The human toll has been high and continues to increase. The conflict has potential to spread across the region. While economics is a lesser concern, the war may disrupt energy supplies, keeping inflation – and interest rates – higher for longer, according to Ziad Daoud, Galit Altstein and Bhargavi Sakthivel of *Bloomberg*.

U.S. inflation proved persistent. In September, the Consumer Price Index (CPI) showed prices rose 3.7 percent year-over-year. When volatile food and energy prices were excluded, inflation was 4.1 percent year-over-year. Inflation has fallen a long way from its June 2022 peak of 8.9 percent, but the decline has stalled, and inflation remains well above the Federal Reserve’s two percent target. That reinforces the idea that the U.S. Federal Reserve may leave rates higher for longer, reported Chris Anstey of *Bloomberg*.

Consumers were less optimistic. Inflation is affecting the finances of individuals and businesses, according to the University of Michigan’s Surveys of Consumers Director Joanne Hsu. The October consumer sentiment survey found, “Assessments of personal finances declined about 15%, primarily on a substantial increase in concerns over inflation, and one-year expected business conditions plunged about 19%. However, long-run expected business conditions are little changed, suggesting that consumers believe the current worsening in economic conditions will not persist.”

U.S. budget negotiations remained stalled. Congress has about a month left to negotiate and pass the appropriations bills necessary to fund the U.S. government for fiscal 2024. However, the House of Representatives currently cannot proceed without an elected Speaker of the House. On November 17, stop-gap funding measures end. Without

additional funding measures a government shutdown is possible, reported David Morgan, Richard Cowan, and Moira Warburton of *Reuters*.

Banks did well in the third quarter. Earnings season got off to a good start last week. Major U.S. banks were the first to report, and some saw profits rise significantly in the third quarter. One large bank reported its profit was 35 percent higher, year-over-year.

Major U.S. stock indices finished a volatile week higher. Bond markets produced mixed results with yields on longer maturities of U.S. Treasuries moving lower.

Data as of 10/13/2023	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.5%	12.7%	17.9%	7.2%	9.5%	9.7%
Dow Jones Global ex-U.S.	1.0	2.3	17.4	-0.3	1.4	0.9
10-year Treasury Note (Yield Only)	4.6	N/A	4.0	0.7	3.2	2.7
Gold (per ounce)	4.9	5.3	15.8	0.3	9.2	4.0
Bloomberg Commodity Index	2.7	-6.7	-9.2	13.2	3.9	-1.9

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.

WHERE IN THE WORLD DO PEOPLE SLEEP WELL?

Scientists have been studying how to slow aging and extend longevity. One factor that can affect your lifespan is how well you sleep. According to a new study, there are five hallmarks of a good sleeper. They:

- 1) Sleep 7 to 8 hours a night,
- 2) Have little difficulty falling asleep,
- 3) Stay asleep through the night on most nights,
- 4) Feel well-rested after waking up most mornings, and
- 5) Don't rely on sleeping pills.

People who are good sleepers tend have longer life expectancy, reported the American College of Cardiology. Men who sleep well live 4.7 years longer, on average, and women who sleep well gain 2.4 years, on average.

Of course, there are always exceptions. Scientists have discovered that some people are naturally short sleepers. They can get far less sleep, often four to six hours a night, without suffering any negative effects. So far, research has identified three genes that allow people to sleep less without experiencing physical or cognitive costs, reported *Genetic Engineering and Biotechnology News*.

Where you live may affect the quality of your sleep, too, according to a National University in Singapore study. It found that the least successful sleepers are in Asia, where people tend to snooze for less than 6.5 hours a night during the week. The most successful sleepers are in Ireland, New Zealand, Slovakia and the Netherlands. In general, people in countries with high-quality sleep averaged seven hours on weeknights. People in the United States weren't far behind, slumbering for 6.9 hours, on average, from Monday through Friday.

Life expectancy is a key factor when planning for retirement. If you have any questions about how lifespan can affect retirement saving and retirement income, get in touch.

Best regards,

Andrew Zittell
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* 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/GOLDFMGBD228NLBM>.

* 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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