

August 21, 2024

Good Afternoon,

US markets on Tuesday snapped an eight-day winning streak, but with declines of just 0.2% across the three major indexes, stock market bulls remain in control of the proceedings ahead of Jay Powell's speech Friday morning. The strong rebound off the August 5th lows has been led by the same stocks that triggered the selloff, big tech companies. In the meantime, the bond market seems confident that the Fed has slowed the rate of inflation with the 10-Year Treasury yield below 3.8%.

We often hear that one political party, or the other is responsible for the price of gasoline in the US. But is the price of gasoline a political issue? Current gasoline prices are the same or less than they were 10, 12, and even 16 years ago. Considering the impact of inflation, it's cheaper than it was in those periods. The price of oil (and therefore, gas) fluctuates based on supply and demand. Extraction technology has increased supply and demand is leveling due to vehicle efficiency advancements and increased use of renewable energy sources.

Since 1900, in every Presidential election when the incumbent party has lost the election, the Dow's average performance in the year leading up to Election Day has been a decline of 2.8%. In years when the incumbent party has won the election, the Dow's average performance has been a gain of 15.4%. The Dow is up 8.5% so far this year. Interesting, but perhaps meaningless. Like most of these updates!

Please visit our website at www.canfg.com or the link below for the last Market Update from Commonwealth Financial Network® – the broker/dealer that supports us in helping you manage your financial life.

http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Have a meaningful week!

Wade

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