

October 3, 2024

Good Morning,

Markets closed out the 3rd quarter with decent gains despite the sharp declines in August. Bonds have also behaved well with interest rates coming down and bond values advancing. Inflation has clearly moderated, and data show the hot employment environment is cooling, but not crashing. The “quit rate” and “hire rate” saw the lowest levels since 2015 and 2013, respectively, as workers see jobs as harder to get — and more valuable to keep. The first batch of meaningful macroeconomic data since the Federal Reserve launched its new easing cycle showed a U.S. economy generally steering clear of downdrafts. The final estimate of second-quarter GDP confirmed healthy 3% economic growth.

Tensions in the Middle East have elevated further with Israel’s expansion of military strikes into Lebanon and Iran’s volley of ballistic missiles targeting Israel. The situation is quickly expanding into a regional conflict and threatens to escalate to a full-scale war. The US policy of unflinching support of Israel may be tested and could impact the election just five weeks away. Neither the GOP nor the Democrats are willing to lose votes by questioning Israel’s actions. The result is an emboldened Netanyahu and an aggressive defense of Israel. The world awaits Israel’s response to Iran’s attack.

Pete Rose, who died Monday, was the beating heart of the Cincinnati Reds Big Red Machine of the 1970’s. While he wasn’t the most likeable player, he was important part of that great team which would become my favorite - and still is. He was banned from baseball for life for betting on games and then refusing to admit that he had. That character flaw kept him out of the Hall of Fame, a real shame for the all-time leader in base hits. While he may get inducted posthumously, he will never get to appreciate the adulation and ceremony on those steps in Cooperstown. But should he now get in? This Reds fan thinks so.

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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 great weekend,

Wade

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