



## Weekly Focus – Think About It

“Common sense is genius dressed in its working clothes.”

—Ralph Waldo Emerson, *Philosopher*

# THE MARKETS

## THE WEEK GOT OFF TO A GOOD START

In testimony before House and Senate committees, Federal Reserve (Fed) Chair Jerome Powell noted that prices had been falling and unemployment rates remained quite low. As a result, he expected the Fed to begin lowering the federal funds rate in 2024.

“I think we’re in the right place,” he said. “We’re waiting to become more confident that inflation is moving sustainably at two percent. When we do get that confidence—and we’re not far from it—it’ll be appropriate to begin to dial back the level of restriction so that we don’t drive the economy into recession rather than normalizing policy as the economy gets back to normal.”

After Powell’s comments, the likelihood of a June rate cut rose, and so did U.S. stock indices. The bond market rallied, too, with yields across all maturities of U.S. Treasuries dropping lower through Thursday.

On Friday, a mixed bag of employment data arrived. It showed that:

- Hiring was stronger than expected in February. Employers added 275,000 new jobs over the month – 75,000 more than expected – although gains in December and January were revised lower.
- Wage growth was slower than expected, rising 4.3 percent year-over-year in February when economists had predicted a 4.5 percent annual increase, according to Meghan Leonhardt of *Barron’s*.
- The unemployment rate rose, increasing from 3.7 percent to 3.9 percent. (The unemployment rate is derived from a separate and smaller survey of households.)
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The data suggested that the labor market was strong but cooling, and bolstered hopes that a soft landing might be ahead. While that was positive news, it was overshadowed by weakness in technology stocks. Sarah Hansen of Morningstar reported, “The stock market started 2024 with a blistering rally...But the relentless pace of gains has some watchers worried about soaring valuations on stock prices and frothy trading.”

On Friday, major U.S. stock indices finished the week lower. However, U.S. Treasury bonds rallied as yields declined over the week.

Data as of 3-8-24	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-0.3%	7.4%	28.4%	10.3%	13.3%	10.6%
Dow Jones Global ex-U.S.	1.9	3.9	11.9	-0.4	3.9	2.0
10-year Treasury Note (Yield Only)	4.2	N/A	4.0	1.6	2.6	2.8
Gold (per ounce)	5.9	4.5	19.5	8.8	10.9	4.9
Bloomberg Commodity Index	0.8	-0.7	-6.7	4.7	4.0	-3.2

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.

## A REMINDER ABOUT SCAMS

Scams usually start with a phone call, email, text, or another form of communication. The person typically claims to be from an agency or organization you know – or one that sounds like it might benefit you, such as the National Sweepstakes Bureau or a lottery.

The person may know your name and address. They may give you their official title or an identification number. No matter how official they seem, you can be confident it's a scam if the person contacting you:

- Indicates there is a problem with your benefits.
- Asks you to pay to receive a prize.
- Suggests that paying will increase the chance of winning.
- Requests financial information, such as a bank account or credit card number.
- Pressures you to act immediately.
- Tells you to pay using a specific method, such as a gift card or cryptocurrency.

If this happens, remember that the Social Security Administration, the Internal Revenue Service, Medicare, and your bank do not call, email, or text to ask for money or personal information. They do not demand that you pay immediately, and they do not accept payment by gift card, prepaid debit card, cryptocurrency, or another untraceable form of money transfer.

When you suspect a scam:

- Hang up or close the message. Do not respond in any way.
- Remain calm.
- Think back over the call. Write down any personal information you may have inadvertently shared.
- Report the scam. Contact the Federal Trade Commission at ReportFraud.ftc.gov. You may also want to report the incident to your state's attorney general or your local consumer protection agency.
- Share your knowledge. Talk with family, friends, and neighbors about your experience so they know what to look out for.

When you receive a digital message, no matter how official it seems, do not click on any links. Do not give or confirm any personal information, including your name, birth date, phone number, address, email address, place of birth, driver's license, passport, or Social Security numbers, bank or other account numbers, and PIN numbers.

Being skeptical can keep you safe. Remove yourself from the situation. Do not share information. If you feel anxious and need to confirm that it was a scam, contact the organization using a method provided on their official website.

Best regards,

Andrew Zittell  
Yerba Buena Financial Partners

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### Sources:

Andrew Zittell, CLU®, ChFC®, AIF®, RFC® is a registered representative with, and securities offered through LPL Financial, Member FINRA/SIPC.

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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/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 Weekly Market Commentary please email us at [info@ybp.com](mailto:info@ybp.com)

**Additional Sources:**

<https://www.youtube.com/watch?v=wOhT8gYpNoM> [19:23 – 23:00, 1:37:40]

<https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html>

LPL Compliance Approval #551934-1

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