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The major equity markets continued their march higher and reached record highs during the third quarter of 2024. September is historically the worst month for stocks with the S&P 500 generating an average monthly decline of 1.2% since 1928. Happily for investors, the market reversed this trend and ended up 4.2% for the month.

Spurred by the prospects of continued interest rate cuts by the Federal Reserve, the major averages ended the quarter on very positive note. The Dow Jones Industrial Average posted year to date gains of 12.3%, resting at 42,330.15. The S&P 500 Index increased 20.8% for the year, ending the quarter at 5,762.48. Over the past nine months, the NASDAQ advanced 21.2%, closing at 18,189.17. The Russell 2000 small cap index finally rebounded, returning 10.0% year to date.

Overseas, the war between Russia and Ukraine continues. In a surprise move, the Ukrainian Army launched a counterattack toward the city of Kursk, along the northern most area of the current fighting. This marks the first incursion into Russia by foreign forces since the Second World War.

In the Middle East, Israel and Hamas continue to fight in the southern end of the Gaza Strip. Israeli intelligence spearheaded an operation using exploding pagers and walkie talkies before destroying a Hezbollah headquarters in Beirut. Following these attacks, the Israeli Defense Forces invaded southern Lebanon. Iran answered by firing roughly 180 ballistic missiles at Israel. Israel vowed to respond.

To spur its economy, China freed up \$142 billion into its capital markets to increase lending. Nippon Steel, a Japanese based corporation, renewed its attempt to buy U.S. Steel, a move which would allow plants in the U.S. to receive \$1.4 billion in capital expenditures to improve their property and equipment. This will allow the American firm to upgrade its technology and remain competitive.

As the November election nears, we encourage investors to remained focused on diversification in well-managed companies both here and abroad that produce quality goods and services with a dynamic workforce.

Kind regards,

David R. Breuhan

The reference to any stock, bond or mutual fund does not amount to a recommendation to buy or sell. Source for data is *The Wall Street Journal and Dow Jones Market Data*.

