

May 30, 2024

Good Afternoon,

Stocks are struggling for direction over the past several weeks. While the S&P 500 has fallen 1.5% since hitting an all-time high on May 17<sup>th</sup>, the Dow Jones Industrial Index has fallen 5% in the same period. Remember that the Dow is made up of 30 companies and is much less diversified than the S&P with 500 stocks. A large drop in one or two stocks in the Dow can have a major impact on the index, as demonstrated today with a 20% decline in Salesforce, Inc., a recent addition to the Dow Jones. Most of the other 29 stocks are up, but the Dow Index is down more than a half percent due to Salesforce.

Consumer confidence rose in May, according to the Conference Board, buoyed by a continued strong labor market. This report conflicts with the University of Michigan's consumer sentiment survey from last Friday showing sentiment had fallen sharply the prior month. The divergence reflects the problem facing the Federal Reserve's interest rate policy. It seems the wealthiest Americans are powering the economy's surprising growth making it hard for the Fed to begin cutting interest rates. (The wealthy also earn more on their savings and their stocks have risen nicely over the past year.) Higher rates are negatively impacting those with lower earnings as they spend a larger portion of their budget on interest payments and less on the things they'd like to buy. Are higher rates actually keeping inflation elevated?

Like when we were kids reading the newspaper, I know many of you skip the first two paragraphs of these updates to get to the funny stuff. Due to writer's block, I've got nothing for you today. So, I owe you one!

Please visit our website at [www.canfg.com](http://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](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.

Enjoy your weekend!

*Wade*

Wade A. Sarkis, CFP®, AIF®  
Managing Partner  
Canandaigua Financial Group  
45 Ontario Street  
Canandaigua, NY 14424  
(585) 396-2720

Securities and Advisory Services offered through Commonwealth Financial Network, Member FINRA, SIPC, a Registered Investment Adviser  
Note: Trade orders cannot be accepted via email or voicemail.