

ANTONE MERCURIO LLC
INVESTMENT COUNSEL • FINANCIAL PLANNING
CA INSURANCE LIC# 0868606
2100 GARDEN ROAD, SUITE A203
MONTEREY, CA 93940
ANTONEMERCURIO.COM
(831) 717-3158

October 4, 2024

Happy Fall!

Dear Friends,

The third quarter is over, and Fall is finally here. It was a busy three months for me! Gretchen and I spent the first weekend of September as volunteers at the Festa Italia in downtown Monterey. It's always a good time and many of the volunteers are old friends and family. The food was incredible - cannoli, arancini, pizza, pasta, eggplant sandwiches, steak sandwiches, and calamari. I was bad! After that we went down to Yuma, Arizona to watch our youngest, Eli, play football against Yuma Catholic. We had a great time watching him, spending time with the other families, and laughing a lot. Speaking of Gretchen, we just celebrated our 29th anniversary in San Diego. I'll never forget the night I proposed to her. We were almost mauled to death by a Rottweiler. I guess after that, the thought of marrying me didn't seem so scary. I'm a blessed man, she has given me so much more than I deserve.

Turning to the markets, things are still going smoothly. As we discussed in the last letter, the Federal Reserve cut interest rates by a half point. As of this writing, the S&P stands at about 5733, up about 21% year to date. That's a number we can all be pleased with, but I'll still remind everyone to be prepared for volatility as we move closer to the election. In discussions with the Wall Street folks, it seems the biggest surprise so far is that we've managed to avoid a recession. As a group, it appears they are trimming some of their stock holdings. I'm still not convinced we're out of the woods. Apparently, neither is Warren Buffett, who has recently significantly reduced his stakes in Apple, his largest holding, and in Bank of America. Also, I get the impression things in China are worse than we're hearing. A key economic advisor to the Chinese government recently disappeared after privately making critical comments on the economy. Afterwards, China announced a massive stimulus plan. The Chinese economy seems to be flirting with deflation and privately I hear concerns regarding the global economy if their stimulus program doesn't work.

In my Q2 Newsletter titled, "Give Your Seatbelts an Extra Tug," we briefly discussed the United States' debt level. People in the investment industry are starting to discuss it, too. That's good news. The enclosed article was written by Ryan Kimmel of Doubleline Capital.

I've never met or spoken to anyone at Doubleline but have been an avid consumer of anything written by Jeffrey Gundlach, one of Doubleline's founders.

It discusses current assumptions of our debt situation versus what happens if the assumptions are inaccurate. For me, it was a bit of a heavy lift, so I read it twice. In talking to people whose opinion I really value, they tell me that we're five to fifteen years away from a problem. Nevertheless, we're going to continue to discuss it.

Sincerely,

Antone Mercurio CFP®