



## Weekly Focus – Think About It

“We do not receive wisdom, we must discover it for ourselves, after a journey through the wilderness which no one else can make for us, which no one can spare us, for our wisdom is the point of view from which we come at last to regard the world.”

—*Marcel Proust, Novelist*

# THE MARKETS

## DON'T FIGHT THE FED

The Federal Reserve (Fed) is the central bank of the United States. A longstanding bit of investment wisdom is: Don't fight the Fed. It means that investors should align their strategies with the Fed's monetary policy. Economic growth is influenced by Fed policy, and stock markets tend to reflect the economy, rising when it grows and falling when it contracts. As a result, Kent Thune of The Balance reported, when the Fed is

- **Tightening monetary policy** by raising the federal funds rate to slow economic growth, investors should be cautious.
- **Easing monetary policy** by lowering the federal funds rate to stimulate economic growth, investors can be more aggressive (within the boundaries of their risk tolerance and financial goals).

The Fed has left rates unchanged since last summer. In January, the Fed indicated that inflation was moving in the right direction, and the economy remained strong. It projected that the federal funds rate would fall to 4.6 percent by year-end, implying three rate cuts of 0.25 percent in 2024.

The market did its own math and came to a different conclusion. It decided inflation would drop steadily, economic growth would falter, and the Fed would cut rates six times in 2024, reported Nicholas Jasinski of Barron's.

Last week, economic data suggested the Fed has yet to win its fight against inflation, although there was a sign that economic growth might be moderating.

- The Consumer Price Index showed that inflation fell in January, year-over-year, but not as quickly as many economists had expected.
- The Producer Price Index revealed U.S. producer prices rose more than expected in January as the cost of services moved higher.

LPL Compliance Approval #543309-1-1

- Retail sales slowed dropped more than expected in January, suggesting that consumer spending (a primary driver of U.S. economic growth) might be slowing.

The data caused markets to recalculate. Now, investors “have moved closer to the view of Fed policymakers, most of whom as of December penciled in 50 to 75 basis points of rate cuts by the end of 2024,” reported Howard Schneider and Michael S. Derby of Reuters.

As markets adjusted to the revised outlook, major U.S. stock indices finished lower, and yields on longer maturities of U.S. Treasuries moved higher.

Data as of 2/16/24	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-0.4%	5.0%	22.4%	8.4%	12.5%	10.5%
Dow Jones Global ex-U.S.	1.5	0.3	5.7	-3.3	3.0	1.7
10-year Treasury Note (Yield Only)	4.2	N/A	3.8	1.3	2.7	2.7
Gold (per ounce)	-1.3	-3.9	9.2	3.7	8.6	4.2
Bloomberg Commodity Index	-0.7	-2.4	-10.4	4.2	3.4	-3.0

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.

## WHEN WAS THE LAST TIME YOU PAID WITH CASH?

Paper money and coins may follow the telephone landline and the film camera into obscurity. About 60 percent of people who participated in a 2022 *Gallup* poll said they almost never use cash, and just 13 percent said they always paid in cash. No matter where you fall on the spectrum, see what you know about currency by taking this brief quiz:

1. What do most people do with coins they receive as change?
  - a. Drop them into coin jars at home.
  - b. Spend them on laundry and parking.
  - c. Deposit them at the bank.
  - d. Leave them in “take a penny, leave a penny” trays.
2. How much money did airline passengers leave behind at screening checkpoints in 2022?
  - a. \$236,000
  - b. \$523,000

LPL Compliance Approval #543309-1-1

- c. \$835,000
  - d. \$1,467,000
3. What is the oldest currency still in use today?
- a. Russian ruble
  - b. British pound
  - c. Haitian gourde
  - d. Japanese yen
4. The original American penny, known as the Fugio cent, was designed by Ben Franklin. On one side, it had the motto: We are one. What was written on the other side of the penny?
- a. When In Doubt, Don't
  - b. A Penny Earned
  - c. Mind Your Business
  - d. Industry And Frugality.

1) a; 2) c; 3) b; 4) c

Best regards,  
Marilyn Suey

P.S. Please feel free to forward this commentary to family, friends or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

---

### Sources:

Marilyn Suey is a Registered Representative with, and Securities and Retirement Plan Consulting Program advisory services offered through LPL Financial, a registered investment advisor, member FINRA/SIPC.

\* These views are those of Carson Coaching, not the presenting Representative, the Representative's Broker/Dealer, or Registered Investment Advisor, and should not be construed as investment advice.

\* This newsletter was prepared by Carson Coaching. Carson Coaching is not affiliated with the named firm or broker/dealer.

\* 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.

*LPL Compliance Approval #543309-1-1*

\* 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 **Your Weekly Journal** please email us at [marilyn.suey@diamondgroupwealthadvisors.com](mailto:marilyn.suey@diamondgroupwealthadvisors.com)

Sources:

<https://www.investopedia.com/ask/answers/042215/how-does-performance-stock-market-affect-individual-businesses.asp#>

<https://www.thebalancemoney.com/what-is-the-meaning-of-dont-fight-the-fed-2466886#>

<https://www.federalreserve.gov/monetarypolicy/files/monetary20240131a1.pdf>

*LPL Compliance Approval #543309-1-1*

<https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20231213.pdf>

<https://www.barrons.com/livecoverage/fed-december-meeting-speech-rate-decision-today/card/futures-markets-expect-6-rate-cuts-in-2024-versus-4-earlier-0GuZFQP7CW6pR1VEmOdr> (or go to [https://resources.carsongroup.com/hubfs/WMC-Source/2024/02-19-24\\_Barrons\\_Futures%20Markets%20Expect%206%20Rates%20Cuts%20in%202024\\_5.pdf](https://resources.carsongroup.com/hubfs/WMC-Source/2024/02-19-24_Barrons_Futures%20Markets%20Expect%206%20Rates%20Cuts%20in%202024_5.pdf))

<https://www.reuters.com/markets/us/view-warm-jan-us-cpi-reinforces-that-inflation-still-outside-fed-comfort-zone-2024-02-13/>

<https://www.marketwatch.com/story/producer-price-index-rises-0-3-in-january-core-ppi-up-0-6-69e79209>

<https://www.cnbc.com/2024/02/15/retail-sales-january-2024-.html>

<https://www.reuters.com/markets/rates-bonds/traders-see-rising-chance-fed-defers-first-rate-cut-beyond-june-2024-02-16/>

<https://www.barrons.com/market-data> (or go to [https://resources.carsongroup.com/hubfs/WMC-Source/2024/02-19-24\\_Barrons\\_Data\\_10.pdf](https://resources.carsongroup.com/hubfs/WMC-Source/2024/02-19-24_Barrons_Data_10.pdf))

[https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily\\_treasury\\_yield\\_curve&field\\_tdr\\_date\\_value\\_month=202402](https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_yield_curve&field_tdr_date_value_month=202402)

<https://news.gallup.com/poll/397718/americans-using-cash-less-often-foresee-cashless-society.aspx>

[https://www.goodreads.com/author/quotes/233619.Marcel\\_Proust#](https://www.goodreads.com/author/quotes/233619.Marcel_Proust#)

<https://www.frb services.org/binaries/content/assets/crsocms/financial-services/cash/101322-us-coin-supply-chain-final-report.pdf> [Page 3]

[https://www.dhs.gov/sites/default/files/2023-07/23\\_0501\\_FY22\\_TSA\\_Unclaimed\\_Money\\_at\\_Airports.pdf](https://www.dhs.gov/sites/default/files/2023-07/23_0501_FY22_TSA_Unclaimed_Money_at_Airports.pdf)

<https://www.oldest.org/culture/oldest-currencies-still-used-around-the-world/>

<https://www.history.com/news/10-things-you-didnt-know-about-the-penny#>

#534309-1

---

Marilyn Suey is a registered representative with, and securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Strategic Wealth Advisors Group, LLC, a registered investment advisor. Strategic Wealth Advisors Group, LLC. and The Diamond Group Wealth Advisors are separate entities from LPL Financial. CA Insurance License #0E01981