

April 11, 2024

Good morning,

The mood of the markets has become decidedly negative – at least for the moment. The anticipated first interest rate cut by the Fed looks to be delayed by data. The Fed has been consistent in its messaging that data will determine when they begin to ease monetary policy. For three months, now, inflation data has been uncooperative. The recent result is rising bond yields (and declining bond prices), as well as falling stocks. The S&P 500 is on pace for its second straight weekly loss. The truth is that our economy remains robust, and for the time being, the Fed has no real reason to cut rates.

A robust economy means consumer spending and confidence remain strong. This has an influence on investor confidence, as well. The Conference Board's survey of consumer confidence for March showed that 49.3% of consumers expect stock prices to rise in the next 12 months, the second highest monthly reading in the survey's history since 1987. The only month with a higher reading was in January 2018. One year later, the S&P 500 was down 4.2%. (SOURCE: BLOOMBERG). If you are a contrarian investor, the high confidence numbers may mean trouble ahead.

The golf season unofficially tees off today with the start of The Masters tournament at Augusta National in Georgia. It's the first of golf's four majors, and the course is getting ready to shut down. No really, it is. Because of the summer heat, Augusta National closes in May and doesn't reopen until October. I wonder if the pool stays open. Go Tiger!

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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.

Have a great weekend,

Wade

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