

01/13/2022

Good Afternoon,

Markets continue their volatile start to 2022 as investors digest inflation data, which show the highest year-over-year price increases in 40 years. Consumers are feeling it at the pump and the grocery store, and the Federal Reserve must navigate how to raise interest rates without sending the economic recovery into a tailspin. For years, the economy maintained an inflation rate below the Fed's target of 2% despite very low interest rates and emergency liquidity measures in place since 2008. Will we now pay the piper for more than a decade of cheap money? Economists are still divided on how long high inflation will last.

Because you never get enough politics, here is some interesting information about mid-term elections. The political party of new Presidential administrations tend to fare poorly in mid-term elections. This November, all 435 House seats and 34 of 100 Senate seats will be contested. The President's party has lost House seats in 18 of the last 20 midterms, while the President's party has lost Senate seats in 14 of the last 20 midterms (source: American Presidency Project). Perhaps we do need some change in the current unproductive Congress. The current session of Congress (the 117th, running from January, 2021 to January, 2023), has passed only 81 bills with a year to go. The fewest number of bills passed in any 2-year session of Congress going back to 1973 is 284 during the 112th session of Congress that ran from 2011-2012 (source: GovTrack.us).

While I'm mindful of my ability to jinx any team I root for, I'm pulling hard for the Buffalo Bills in their game Saturday night versus the Patriots, the long-time rival and notorious party spoilers for Western New York football fans. It's going to be about 3 degrees at game time, but I'm not worried. I will have an extra blanket with me. On my couch. Go Bills!!

Please visit our website at 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

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 wonderful week,

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.