

August 25, 2022

Good Afternoon,

Markets woke up on the wrong side of the bed last Friday with a selloff that continued through Monday. After a strong rally that lasted several weeks, stocks declined 4-5% in two volatile trading sessions. Market analysts have mixed opinions with some saying this is just a pause in the rally that started in June, while others say the selloff will continue and we will eventually make new lows for the year. We want to believe the former, but most likely the path of markets lies somewhere in the middle of those two trajectories. Inflation fears and the Fed rate hikes are central to daily market moves and currently drive investor emotion and action.

Federal Reserve Governors, including Chair Powell, are attending the Economic Policy Symposium in Jackson Hole, Wyoming this week. Powell will be speaking tomorrow, and the investment world is watching and hoping to get a sense of the magnitude of the Fed's next rate hike on September 21<sup>st</sup>. The Chairman will likely stick to his script and reiterate the Fed's dependence on upcoming data for inflation and employment. Recent comments by other Fed Governors seemed more "hawkish" (higher interest rates more quickly) than Powell's last press conference. While we are hoping for a soft landing – slowing of the economy and inflation without triggering a recession – the prospects for that scenario remain murky. Hence, markets will remain skittish in the near term.

President Biden has issued an executive order forgiving qualified borrowers \$10,000 of student loan debt, fulfilling a campaign promise from 2020. Of course, this will be a polarizing issue fraught with arguments on both sides of the aisle. I feel for those folks who worked hard and recently retired all their student loan debt, and for the parents who made sacrifices and borrowed against their homes to pay for college. They won't enjoy any of this benefit. The entire exercise avoids the true culprit; tuition costs in the US are absolutely ridiculous. We'd welcome any government action to address the spiraling costs of higher education. The current model is unsustainable.

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 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.