

December 6, 2023

Good Afternoon,

After a torrid rally in November, stocks are taking a breather this first week of December. Despite its remarkable rise this year, the S&P 500 Index is still not back to where it was 2 years ago. That's a reflection of just how difficult 2022 was for stocks. (Most of this year's gain in the S&P has come from 7 or 8 big tech companies with huge rallies.) As importantly, the yield on the 10-Year US Treasury has plummeted from its high of 5% in mid-October to 4.12% today. That decline has boosted bond prices and provided relief for stocks. The bond market believes the Fed is done raising interest rates.

Investing legend Charlie Munger passed away at the age of 99 last week. Since he joined Berkshire Hathaway to become vice chair and Warren Buffett's right-hand man in 1978, \$100 invested in the S&P 500 has grown in value to \$16,527 including dividends. That same \$100 invested in Berkshire Hathaway stock grew in value to \$396,282. Charlie and Warren proved Buffett's axiom to be true: "Be fearful when others are greedy. Be greedy when others are fearful."

Lastly, it appears there is a negative correlation between the Buffalo Bills and the stock market. They had winning records in both September and October, and the market was down both months. They lost 3 times in November and stocks rallied sharply. They have four games in December; I'm not sure I want the Bills to win any of them!

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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 week!

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