

March 1, 2024

Good Morning,

Investors can celebrate the fourth consecutive month of stock market gains as February proved positive on the backs of several very strong one-day rallies. Positive earnings results and solid economic data are fueling investor confidence even as we see a slight decline in consumer confidence. And, Congress has avoided a partial government shutdown with some short-term spending agreements to push the deadline out a few weeks, perhaps the only governing they accomplished in February. Thank goodness February had an extra day this year to get it done.

Thursday's reading of the Personal Consumption Expenditures (PCE) index, the Federal Reserve's preferred inflation gauge, fell to 2.8% in January, the lowest since March 2021. This number is getting ever closer to the Fed's target rate of 2%. With the economy still strong and employment data positive, it's looking more and more like the Fed has engineered the soft-landing most economists were betting against. We still believe that any Fed rate cut is many months away. The recent uptick in bond yields has moderated after a runup that pushed bond prices down.

After I recently picked on crypto currencies, like Bitcoin, they have had a major rally, and are nearing all-time high valuations. Bitcoin has long been sensitive to momentum and FOMO (fear of missing out), and this week's bout is the first major surge since Bitcoin ETFs were approved. As long as we've observed, the higher the price, the more the interest. For a while, anyway. For most people, crypto currencies are too confusing. Perhaps because they involve everything you don't understand about money combined with everything you don't understand about computers. (credit to John Oliver)

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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.

Enjoy your weekend!

Wade

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