AMJ Financial Wealth Management
Weekly Market Commentary
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The Markets

Sibling discord.

Stocks and bonds are two of the better-known asset classes in the family of potential investments. Last week, they were in opposition.

Bond yields have been moving higher in anticipation of the Federal Reserve raising rates again. For a while last week, every maturity of Treasury – from the 1-month Treasury bill to the 30-year Treasury bond – boasted a yield above 4 percent. Some shorter-maturity Treasuries yielded more than 5 percent.

When bond rates move higher, borrowing becomes more expensive for companies. As the cost of doing business rises, the outlook for company earnings tends to moderate, pushing stock prices lower. (Companies in the financial industry are often an exception because financial companies often benefit from higher rates.)

In addition, higher bond yields may lead to lower stock prices as investors who seek income, and prefer to take less risk, move some assets from stocks to bonds. For example, more conservative investors who have held dividend-paying stocks to help achieve retirement income goals might choose to move some assets into bonds.

"Rising Treasury yields can make stocks less appealing because they allow investors to park money in instruments that now earn an attractive return…investment grade bonds saw inflows for 10 consecutive weeks…the longest streak since October…," reported Isabel Wang of Morningstar.

Like a younger sibling who refuses to follow the lead of an older brother or sister, stock markets ignored rising bond rates last week. It's difficult to know which one is on the right track, which makes being selective more important, according to Carleton English of *Barron's*.

"This is no longer a black-and-white, buy-or-sell stock market. The era of 'There is no alternative' to growth-oriented tech stocks is in the rearview mirror, and both stocks and bonds offer compelling opportunities, if you pick the right ones."

Major U.S. stock indices finished higher, ending a three-week losing streak.

Data as of 3/3/23	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	1.9%	5.4%	-7.3%	10.4%	8.3%	10.3%
Dow Jones Global ex-U.S. Index	1.7	5.4	-7.1	2.7	-0.2	2.0
10-year Treasury Note (yield only)	4.0	N/A	1.8	1.0	2.9	1.9
Gold (per ounce)	1.7	1.6	-4.6	4.5	6.9	1.6
Bloomberg Commodity Index	2.6	-4.0	-11.9	14.0	4.1	-2.2

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.
Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

THE POWER OF SUNSHINE. If you're worried about the possibility of dementia, make sure you're topped up with vitamin D. That's the finding of an ongoing study from the University of Calgary's Brain Institute in Canada, the University of Exeter in the United Kingdom, and the U.S. National Alzheimer's Coordinating Center.

More than 12,000 people participated in the study. The average age of participants was 71, and none had dementia when the study began. Slightly more than one-third of participants received vitamin D supplements. Researchers noted:

"…taking vitamin D was associated with living dementia-free for longer, and they also found 40 percent fewer dementia diagnoses in the group who took supplements…While Vitamin D was effective in all groups, the team found that effects were significantly greater in females, compared to males. Similarly, effects were greater in people with normal cognition, compared to those who reported signs of mild cognitive impairment – changes to cognition which have been linked to a higher risk of dementia."

Vitamin D is known as the sunshine vitamin. When you walk outside on a sunny day, ultraviolet rays from the sun interact with chemicals in your skin to produce the vitamin. The amount you produce depends on a variety of factors, including where you live, the time of day you're outside, and your pigmentation, reported the Mayo Clinic.

About one billion people around the world are deficient in vitamin D. That number includes about 35 percent of the U.S. population. In the U.S., people who are older than age 65 and people who have darker skin are more likely to experience vitamin D deficits, according to the Cleveland Clinic.

Having too little Vitamin D can be a significant health issue because it may play a role in preventing cancer, multiple sclerosis, psoriasis, bone softness, muscle weakness, and osteoporosis. As people become more aware of the importance of vitamin D, the market for supplements is expected to grow.

Weekly Focus – Think About It
"The first wealth is health."

—Ralph Waldo Emerson, essayist and philosopher

Best regards,

Angela M. Bender

P.S. Please feel free to forward this commentary to family, friends or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

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