AMJ Financial Wealth Management
Weekly Market Commentary
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The Markets

Inflation is slowing but consumers aren't feeling it.

In August, for the first time in two years, inflation (excluding volatile food and energy costs) dropped below four percent. Last week, one of the Federal Reserve (Fed)'s favored inflation measures – the Personal Consumption Expenditures (PCE) Price Index – indicated that prices rose 3.9 percent, year-over-year, in August 2023. That's an improvement from January, when prices rose by 4.9 percent, year-over-year, but it remains above the Fed's target of 2 percent.

While slowing inflation is good news, many Americans are not feeling relief. "Even as the Federal Reserve's favored measure of price gains eases, the cost of food, gasoline, car insurance and other essentials is still elevated after two years of persistent increases…It costs $734 more each month to buy the same goods and services as two years ago for households who earn the median income," according to a source cited by Mark Niquette, Jarrell Dillard and Michael Sasso of *The Washington Post*.

Ongoing pain in the pocketbook is due, in part, to higher oil prices, which are not included in core inflation numbers. The price of crude oil rose to the highest level in more than a year last week, before falling slightly. Rising prices resulted from low inventories and reduced production levels among OPEC+ (the Organization of Petroleum Exporting Countries plus 11 other non-OPEC members) that reduced global oil supply, reported Lee Ying Shan of CNBC. In August, the cost of gasoline, lubricants, and other oil-related products rose, reported Jeffry Bartash of *MarketWatch*.

Regardless of oil prices, investors were hopeful last week that the Fed might not raise rates again in 2023. Revised economic data from the Bureau of Economic Analysis showed the economy grew at a slightly slower pace in the second quarter of 2023 than it did in the first quarter. In addition, consumer spending, which is the primary driver behind economic growth in the United States, cooled. The data suggest the Fed is making progress – reducing price pressures by slowing economic growth and lowering demand for goods.

Stocks moved higher on Thursday before reversing course. The Dow Jones Industrial Average and Standard & Poor's 500 Index finished the week lower, according to *Barron's*. Yields on longer-term U.S. Treasuries moved higher over the week.

Data as of 9/29/23	1-Week	YTD	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	-0.7%	11.7%	17.8%	8.6%	8.0%	9.8%
Dow Jones Global ex-U.S. Index	-1.8	3.2	17.5	1.1	0.2	1.1
10-year Treasury Note (yield only)	4.6	N/A	3.8	0.7	3.1	2.6
Gold (per ounce)	-3.0	3.2	13.0	-0.2	9.5	3.5
Bloomberg Commodity Index	-1.3	-7.1	-6.9	14.3	4.0	-2.0

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 DOS AND DON'TS OF CELLPHONE ETIQUETTE. Many people of a certain age were taught a set of rules for making phone calls (between 9 a.m. and 9 p.m.), talking on the phone (never do it while eating or brushing your teeth), and greeting callers ("Hello" or "Good morning/afternoon" and never "What do you want?").

As cellphones have become ubiquitous, the etiquette of phone calls has changed. Here are a few "dos and don'ts" of evolving cellphone etiquette:

- **Don't leave voicemail messages**. Many people read transcripts of voice messages rather than listening to the message itself. Often transcription is inaccurate. If information needs to be communicated in a timely and accurate way, it is better to send a text message, reported Heather Kelly of *The Washington Post*.

- **Do text before calling.** While baby boomers grew up making and receiving phone calls (often on landlines with long tangled cords), younger generations find phone calls to be inefficient, time-consuming, presumptuous, and disruptive, according to a survey conducted by the *BankMyCell* blog. They also find phone calls to be stressful, and four-in-five indicated they must ratchet up their courage before making a call.

- **Don't take calls in a public place (or use your speakerphone in public)**. Find a private area to take the call or offer to call the person back when you have privacy. It is discourteous to the people around you to chat in public and it may jeopardize the privacy of the person on the phone. For similar reasons, it is never a good idea to use a speakerphone in a public place, advises Lisa Lyons of *Events & Etiquette*.

Despite a growing preference for texting, calling is not passé. "While hopping on the phone may be less common or involve more planning than it used to, it's still a wonderful way to communicate. Talking to a person in real time can strengthen relationships, improve mental health, and lessen loneliness," reported *The Washington Post*.

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.

* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
* Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM.
* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
* The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
* The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
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* Asset allocation does not ensure a profit or protect against a loss.
* Consult your financial professional before making any investment decision.

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