AMJ Financial Wealth Management
Weekly Market Commentary
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The Markets

Are you feeling optimistic or pessimistic?

Consumers are a force to be reckoned with – and we're all consumers. We buy coats and tweezers, electricity and bread, screens, and fishing poles. We download apps and games and educational materials. As consumers, we are vital to the American economy. In fact, consumer spending accounts for about two-thirds of the U.S. economy when it's measured using gross domestic product or GDP.

Many consumers are feeling more optimistic than they have in a while. Last week, the University of Michigan (UM) reported that consumer sentiment is soaring. After a double-digit rise in December 2023, the UM Consumer Sentiment Index rose an additional 13 percent in January 2024. Surveys of Consumers Director Joanne Hsu reported:

"Over the last two months, sentiment has climbed a cumulative 29%, the largest two-month increase since 1991 as a recession ended. For the second straight month, all five index components rose, with a 27% surge in the short-run outlook for business conditions and a 14% gain in current personal finances. Like December, there was a broad consensus of improved sentiment across age, income, education, and geography."

Investors are feeling pretty good, too. Throughout January, the weekly AAII Investor Sentiment survey found that a higher percentage of investors than usual expected stocks to move higher over the next six months. Last week, though, that percentage dropped lower as uncertainty increased around the depth and timing of possible Federal Reserve rate cuts.

"…the median projection from all Fed officials [is] for three rate cuts in 2024. That is a more conservative outlook than the one shared by investors, who expect six cuts starting in March," according to a source cited by Jennifer Schonberger of Yahoo! Finance.

Last week, a rally in technology stocks helped the Standard & Poor's 500 Index close at an all-time high. Yields on many maturities of Treasuries moved higher over the week.

Data as of 1/19/24	1-Week	YTD	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	1.2%	1.5%	24.1%	8.4%	13.0%	10.1%
Dow Jones Global ex-U.S. Index	-2.2	-3.2	2.5	-3.3	2.8	1.3
10-year Treasury Note (yield only)	4.2	N/A	3.4	1.1	2.7	2.8
Gold (per ounce)	-1.3	-2.4	5.7	3.4	9.7	4.9
Bloomberg Commodity Index	-1.2	-1.9	-13.5	6.5	3.9	-2.5

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.

IT'S THE BIGGEST ELECTION YEAR IN HISTORY. This year almost 80 countries will hold elections in which all people of voting age will have the opportunity to cast a vote, reported *NPR* citing *The Economist*. While the nations are not all democratic countries, more than 40 are expected to hold free and fair elections, reported Astha Rajvanshi and Yasmeen Serhan of *Time*. These nations encompass about:

- 41 percent of the world's population (more than 3 billion people), and
- 42 percent of the global economy (more than $44 trillion).

How many people will actually vote?
The voter turnout is likely to be higher in some countries than it is in others. Here is the average turnout among the voting-age population in a sampling of countries that will hold elections in 2024. (The data was collected from recent election years by Pew Research Center.)

Turkey:	89 percent
Indonesia:	82 percent
Sweden:	80 percent
Belgium:	78 percent
South Korea:	77 percent
Denmark:	76 percent
Brazil:	74 percent
Taiwan:	74 percent
India:	69 percent
Mexico:	66 percent
Austria:	64 percent
United States:	63 percent
Britain:	62 percent
Czech Republic:	62 percent
South Africa:	47 percent

The U.S. League of Women Voters explains the importance of voting like this, "The right to vote is one of the most basic promises; every person is considered equal and is empowered to both participate in their government and speak on the issues that impact their daily lives. Through our votes, we're able to express our values around concerns like criminal justice, taxes, and so much more."

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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* 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.
* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
* Past performance does not guarantee future results. Investing involves risk, including loss of principal.
* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.
* There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.
* 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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