AMJ Financial Wealth Management
Weekly Market Commentary
June 17, 2024

The Markets

Inflation is lower – and so are some retail prices.

There was a lot of good news last week about the cost of products and services in the United States.

- **First, inflation is slowing down**. For the second month in a row, inflation slowed. Headline inflation was 3.3 percent year over year, lower than April's 3.4 percent.

  In May, prices for gasoline and fuel oil, new cars, and clothing moved lower, while the cost of shelter, medical care, and eating out increased. Over the last 12 months, the price of used cars and trucks has dropped the most (-9.3 percent), while the cost of auto insurance has increased the most (+20.3 percent).

- **Second, wholesale prices dropped in May**. "U.S. producer prices unexpectedly declined in May by the most in seven months, another welcome development that will strengthen the Federal Reserve's confidence in moderating inflation. The producer price index for final demand decreased 0.2% from a month earlier, lower than all estimates in a Bloomberg survey of economists. Compared with a year ago, the PPI rose 2.2%...," reported Matthew Boesler of *Bloomberg*.

- **Third, some companies are lowering prices**. Over the past few years, a lot of companies boosted corporate profits by lifting prices. Now, as consumers pull back on spending, they're reversing course. Abha Bhattarai of *The Washington Post* explained:

  "…[company] markdowns, and the consumer spending slowdown that prompted them, mark a turning point in the post-lockdown economy, after the sharpest surge in inflation in decades.… Happy consumers mostly have themselves to thank: The price cuts are mostly due to shoppers pulling back on spending, contributing to a gradual slowdown in economic growth…That means retailers are feeling the pinch. After a period of record-high sales and profits, many are struggling to keep customers and attract new ones. Their answer: lowering prices."

  It remains to be seen how lower prices will affect companies' performance and stock values.

Last week, the Standard & Poor's 500 chalked up four new closing highs and finished the week higher, reported Jacob Sonenshine of *Barron's*. The Nasdaq Composite also gained, while the Dow Jones Industrial Index moved lower. U.S. Treasury bonds rallied with yields on all but the shortest maturities moving lower.

Data as of 6/14/24	1-Week	YTD	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	1.6%	13.9%	24.2%	8.5%	13.5%	10.9%
Dow Jones Global ex-U.S. Index	-1.6	3.4	6.8	-3.2	3.6	1.5
10-year Treasury Note (yield only)	4.2	N/A	3.8	1.5	2.1	2.6
Gold (per ounce)	0.9	12.1	19.2	7.7	11.5	6.2
Bloomberg Commodity Index	0.6	3.8	1.2	2.8	5.7	-2.7

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.

REGARDS? SINCERELY? ALL THE BEST? Historically, the complimentary close – the word or phrase that is before your signature at the end of a letter or email – was a way of communicating the level of respect the writer had for the receiver. Centuries ago, when long-distance communication relied on letter-writing, closes were sometimes quite elaborate. For example, *The Los Angeles Times* reported that:

- In the 1500s, the viceroy of Spanish America closed a letter to the king of Spain with the words: “Your Sacred Catholic Caesarean Majesty’s faithful servant who kisses your Majesty’s imperial feet.”

- A couple of centuries later, Thomas Jefferson closed a letter to President George Washington this way: “Your most obedient and most humble servant.” It became a popular option.

It can be difficult to choose a sign off because many traditional closes feel tired, awkward, or impersonal. In general, it’s a good idea to consider who you are sending the email to and why you’re sending it. In some situations, ending with a compliment, a motivational statement, or a call to action can be a sound choice, according to one job site’s career guide. For example, you could try:

- Great working with you
- Keep up the good work
- Stay amazing
- Keep your head up
- Sending positive vibes your way
- You can reach me anytime
- Can’t wait to hear from you

Some brave individuals experiment with humor and honesty. If this is your preference, proceed with caution. Here are a few email sign offs that have been shared on social media (many were collected by Renee Hanlon for Parade):

- Lukewarm regards
- Over and out
- Please hesitate to reach out
- If you have any questions, please ask somebody else
- YEET
- May anything you wish upon me happen to you thousandfold
- Don’t stop believin’
- Look out, here comes my name

What's your go-to email close?

Weekly Focus – Think About It

"It's good to do uncomfortable things. It's weight training for life."

—Anne Lamott, author

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.

* 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.

Sources:

https://www.bls.gov/news.release/cpi.nr0.htm
https://www.bls.gov/news.release/archives/cpi_05152024.htm
https://www.bloomberg.com/news/articles/2024-06-13/us-producer-prices-surprise-with-biggest-decline-since-october (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2024/06-17-24_Bloomberg_US%20Producer%20Prices%20Surprise%20With%20Biggest%20Decline%20Since%20October_3.pdf)
https://www.washingtonpost.com/business/2024/06/11/prices-retail-inflation-consumers/?_pml=1 (or go to https://resources.carsongroup.com/hubfs/WMC-Source/2024/06-17-24_Washington%20Post_Retailers%20are%20Finally%20Cutting%20Prices_4.pdf)
https://www.barrons.com/articles/stock-market-rate-cuts-apple-fed-142381fc?refsec=the-trader&mod=topics_the-trader (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2024/06-17-24_Barrons_The%20Stock%20Market%20Doesnt%20Need%20Your%20Stinking%20Rate%20Cuts_5.pdf)
https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_yield_curve&field_tdr_date_value_month=202406
https://hk.indeed.com/career-advice/career-development/complimentary-close-faq
https://www.latimes.com/archives/la-xpm-1988-06-26-mn-8162-story.html (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2024/06-17-24_Los%20Angeles%20Times_Letter%20Closings%20A%20History%20Lesson%20in%20Singning%20Off_8.pdf)
https://www.indeed.com/career-advice/career-development/fun-email-sign-offs
https://parade.com/living/gen-z-email-sign-offs
https://www.reddit.com/r/AskReddit/comments/avr7n/reddit_what_is_your_favorite_closing_for_letters/ (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2024/06-17-24_Reddit_What%20Is%20Your%20Favorite%20Closing%20for%20Letters_11.pdf)
https://www.goodreads.com/quotes/16073-it-s-good-to-do-uncomfortable-things-it-s-weight-training-for