

Quarterly Newsletter: *Quarter ending Sept 2023*

MARKET SUMMARY

Larry Swedroe describes the current state of the economy as a 'tale of 2 economies'. The U.S. Manufacturing sector has been in a recession for the past 12 months. On the other hand, the services sector continues to experience growth, contributing significantly to the third quarter gross domestic product of 4.9%. The consumer faces higher for longer interest rates, dwindling savings, and less benefits from government stimulus. [Kitces.com]

The S&P 500 closed 10% below its recent peak reached in late July. This is called a correction. The magnificent gang of seven stocks (Apple, Amazon, Google, Tesla, NVIDIA, Meta, Microsoft) is down an average of 15% year to date. The path for the rest of the year and into 2024 remains volatile for stocks. [First Trust]

Current opportunities are seen in cash, and short-term bonds such as 3- and 6-month Treasuries. Consider these for cash on hand while we wait for a clearer potential entry point into the stock market. Current short-term treasury rates are above 5%. Note: interest earned in a taxable account is only subject to federal income tax. Unlike, the interest earned on CDs that is subject to both federal and state income tax. Treasury bonds are secured by the full faith and credit of U.S. Government. These can easily be added to your investment account.

ZOOM SEMINAR:

Please join us on Thursday, Nov. 9 at 4PM PST. Topic: The cash paradox – CDs vs. Treasury bonds – Determining what's right for you. And other year-end planning strategies.

Year-end 2023 Tax Strategy tip: Make an annual exclusion gift – Annual exclusion gifts of a present interest of \$17,000 for 2023 can be given to anyone without incurring a federal gift tax. Gifts in excess of this amount or those that do not qualify as a present interest are applied against the applicable gift tax exclusion, currently \$12,920,000 for 2023. Amounts above this will be taxed at 40% max federal gift tax rate. [Allianz]

BUSINESS UPDATE

I've decided to make my 50TH birthday in January an inclusive event by hosting a gathering of family, friends, and clients in Miami for dinner and dancing on January 26, 2024. Yes, you are invited to attend. If you plan to attend. Please contact me for more details.

Wishing you a very Happy Thanksgiving as you gather with your friends and family. I give gratitude that my life's work is dedicated to helping you reach your financial goals.

Thanks for your continued support!

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Disclosure

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