



# RICHMOND BROTHERS

## Matt's Minutes: November 2022 "Closed Captions"

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Hello everyone, and welcome to a November 2022 edition of Matt's Minutes. I'm going to try to keep this relatively short and sweet as I've gotten some feedback that many of you who watch these really enjoy them, but getting up to 3, 4, 5, 6 minutes is too long and you're on the go and busy, so I'll be straight and to the point. Hope you had a wonderful Thanksgiving and are ready for the upcoming holiday season. We've had wonderful weather here in the Midwest so far. Let's hope that continues.

So this is going to sound like a bit of a broken record, but the key things that we're paying attention to and are causing, still in November and early December, market movements have to do with the Federal Reserve and what they do with short-term interest rates, inflation, and still possibly the war between Russia and Ukraine and uncertainty surrounding all of that. During November, we obviously finished out the mid-term elections and we had stated that regardless of the outcome, putting that in the rear view mirror removes uncertainty from the market, so that has certainly been the case. And also, a divided government, which was the outcome is a really decent outcome historically for markets just because there's less of a chance of extreme policy on either side being pushed through.

So we did some research and looked to some of our friends through Bull Market Research and looked back on CPI, which is Consumer Price Index, which measures inflation. This is strongly tied with what the Federal Reserve does, but since 1960 the CPI has been above 6% on five occasions. That was in 1970, 1974, 1979, 1990, and now fast forward all the way to 2022. So it's been a long time. What we found interesting is that whenever we got to the point in any of those five occasions historically, where it looked like inflation had peaked and prices started coming back down, there was always on all five of those occasions an occurrence where equity markets or stock markets in general, staged a pretty strong rebound. And so that is something to look forward to with hope and positivity as maybe we head into the 2023 year. Certainly not a guarantee because past performance is not indicative of future results, but five circumstances or occasions since 1960 with CPI at this level, we're starting to see small hints that maybe this CPI has peaked and is coming back down. And during the month of December, the Federal Reserve has one more meeting this year and historically the last four times they have raised the short-term rate 0.75. So if there's any indication that prices have peaked and are coming back down a little bit, they may be of the mindset to still raise rates, but maybe at a smaller pace. Maybe at half percent and that we believe would be perceived as a good sign, economically.

So just wanted to let you know those are the things we are paying attention to as we kind of get down to the end and wind down 2022 and head into 2023. As always, as we continue to work with you individually, make sure we're reviewing your risk score, make sure you're comfortable with that risk

tolerance. Remember, the scale is 1 to 99. If you're retired and you're drawing income, we're happy to work with you and make sure we're continually revisiting what your income plan is. And then lastly, one update - many of you have watched our Smoother Ride short video series that I've released this fall and we've gotten really, really great feedback, so thank you for that. Continue watching. And if you'd like to have those videos sent to you again we have a separate landing page. Please reach out to [questions@richmondbrothers.com](mailto:questions@richmondbrothers.com) and title it, "Smoother Ride video request," and we'll get that out to you again.

One big update there is in those videos at the time we had released those the strategies were really set around portfolios or Fidelity accounts that had about \$100,000 combined across the family. We've now worked with the Smoother Ride group and Fidelity and they're now able to process portfolios that have a \$25,000 across multiple accounts so if you have interest in that and as we come out of this 2022 year we're happy to continue sharing that information and let you know what these options are available to you now through Fidelity and through your relationship with Richmond Brothers. Thank you so much for tuning in. We're honored to have the opportunity to help educate, inform and guide you no matter what is going on in the markets or in the world. Thank you for being part of our Richmond Brothers family.

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*Sources*

*Research Reports:*

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