



RICHMOND BROTHERS

Matt's Minutes: Storms in the Markets May 2024 "Closed Captions"

Watch the video online at: www.richmondbrothers.com

Hi, this is Matt Curfman here for an edition of Matt's Minutes. Thank you so much for tuning in. Well, spring is here, at least in Michigan and in the Midwest, and it has been some decent weather, some nice weather, but also some storms, and that is also indicative and reflective of what we saw just in the broad markets in the month of April.

Before I jump into that, we've had a lot of inquiries about just educational events. So, on Wednesday, May 15th, Wednesday, May 15th at 6:30 PM, we are doing a live event that myself and Dan Vredeveld, my colleague, are going to be doing an educational event at Ella Sharp Park. And we're also going to live stream it and record it. So you can show up virtually, you can show up in person, or if you're not available, you can access the recording. I'm not sure if it'll be a day or two after. But the whole topic is on RMDs, Required Minimum Distributions, and QCDs, Qualified Charitable Distributions. It is a big topic, even if you are not 73, which is the age currently the government requires distributions out of your retirement accounts, your IRAs, your 403bs, 401ks.

I would encourage you to attend and get educated and informed, even if you're not that age, it is something that everyone should be aware of, and it's something that is really important because the penalties are big if you screw it up. So, Wednesday, May 15th, 6:30 PM. We'll include a registration link with Matt's Minutes in case you have not registered yet and are interested. It'll also be a little bit of a social event. We'll have some clients and some people from the community there as well and it's a great way to come out and just engage with other people who are wanting to learn and be informed on topics that matter to you.

So with that, just a couple of updates for the month. I mentioned the storms kind of in the market. Here's a chart I've been kind of trending from or using, and I basically have the price returns of the S&P, the Dow, the NASDAQ, and then Bloomberg, which would be corporate bonds in the U.S. You may recall 2022, that was the year the Federal Reserve, seems like a lifetime ago, started aggressively raising rates. That caused chaos in both the stock and the bond market. The pink line here is the bond market. 2023, you can see there was an attempt at some recovery, but from 2022, it wasn't enough to kind of get positive.

So, then you see the first four months of 2024 and the solid line here is the zero percent return. So remember I said, when you see headlines that say markets are hitting all-time highs, what's really happening is in the first four months of this year, they started to break through one point higher than

they were two years and four months ago, 29 months ago. And then you can kind of see they peaked a little bit here around March 31st. And then the month of April kind of fell back off a little bit.

Why did that happen? Well, they fell back off from headlines. And so, there's talk about what's going to, what's going to happen with the Federal Reserve as far as interest rates go, are they going to raise rates? Are you going to keep them the same? What's happening with inflation? And early in the year, the Federal Reserve came out and suggested they might start to lower rates a little bit in the second half of this year. Inflation reports came out a little hotter, a little higher than they expected. And so they kind of walked that back a little bit and said they may need to keep rates where they are longer.

It appears that there was not an indication they're going to raise rates, so we kind of just settle in to where we are for now. There's still a lot of uncertainty, but that's really the main thrust of what we saw cause that uncertainty. On the other hand, corporate earnings have come out. Earnings season is upon us, and by and large, corporations are doing reasonably well, and that matters. And also, unemployment is still quite low, under 4% nationally. And so, what that tells us is if you want to work, it seems that there is work available. We do still think artificial intelligence will be a driving force as far as company efficiencies, especially with unemployment this low. There's not a lot of people to hire. And so, there is still risk out there.

There's still conflict, obviously, with Russia and Ukraine, with Israel and the Gaza Strip. And then we have elections coming up. So, there's certainly going to be a lot of headline noise, but this is really meant to talk specifically to investments to the market, the economy as a whole and what it means. So, if you have concerns about uncertainty, remember, if you're using our Smoother Ride strategies within your Fidelity accounts, there are safety nets automatically in place. If you're not using our Smoother Ride strategies and you have some fears or uncertainty, this would be a real good time to consider looking at those.

And so, if you would just shoot an email to questions@richmondbrothers.com and put in the subject, "Smoother Ride," and just say, you're interested in looking at that for your accounts, or at least getting information. We're happy to follow up and circle back with you. We had a great event for our shred event. We had probably 60 to 65 people show up and a lot of people were super happy to get rid of a lot of documents. And we had a nice barbecue truck there and food was real good. The weather was decent. And for those of you that were there, you got to meet my new pup, Oliver. My four-month-old golden doodles. So, thank you for coming out.

We are here to help support and guide you through any environment that is showing up in the world and we're honored and pleased to be here to help you do that. If you have any questions, reach out to question@richmondbrothers.com and remember, we're going to have an educational event, a live event. We're also going to live stream it and record it Wednesday, May 15th, 6:30 p.m. at Ella Sharp Museum in Jackson, Michigan. Topic: RMDs (required minimums) and QCDs, a topic that every one of you, regardless of age, should be informed on. We'd love to see you there. Click the registration link below, and thanks for tuning in.

The commentary in this video reflects the personal opinions, viewpoints and analyses of Richmond Brothers employees, and should not be regarded as advisory services provided by Richmond Brothers and are subject to change at any time without notice. Any mention of a particular security and related performance data is not a recommendation to buy or sell that security. Investments in securities involve the risk of loss. Past performance is no guarantee of future results.

Richmond Brothers, Inc. does not provide tax advice. Please consult a qualified tax advisor regarding your personal situation.

Sources:

Research Reports

YCharts

<https://www.cnbc.com/2024/04/20/breaking-down-the-market-sell-off-and-odds-this-5percent-pullback-turns-into-a-10percent-correction.html>

Richmond Brothers, Inc. is a SEC-Registered Investment Adviser.

3568 Wildwood Avenue, Jackson, MI 49202
www.richmondbrothers.com