WEEKLY MARKET PULSE

MONDAY

Following a rough week for the stock market, investors eagerly awaited earnings reports from major U.S. corporations, including Microsoft, Google, Facebook, and Tesla.

Regarding company earnings, Verizon, a prominent telecommunications firm offering extensive phone and internet services globally, appears to be in line with its financial projections for the year. However, investor sentiment was somewhat dampened by Verizon's failure to meet revenue expectations, with a modest increase of 0.2% compared to the previous year. Additionally, when factoring in the company's operating expenses, operating income experienced a slight decline of approximately 1%, indicative of a slight deceleration in Verizon's profitability. Regardless, what distinguishes Verizon's stock in the eyes of investors is its notable dividend yield of 6.7%, a rate it intends to sustain based on steady cash flow projections.

Major Stock Indices Performance Today...

S&P 500: 0.87% Dow Jones: 0.67% NASDAQ: 1.11%

WEEKLY MARKET PULSE

SERENE FINANCIAL SOLUTIONS

TUESDAY

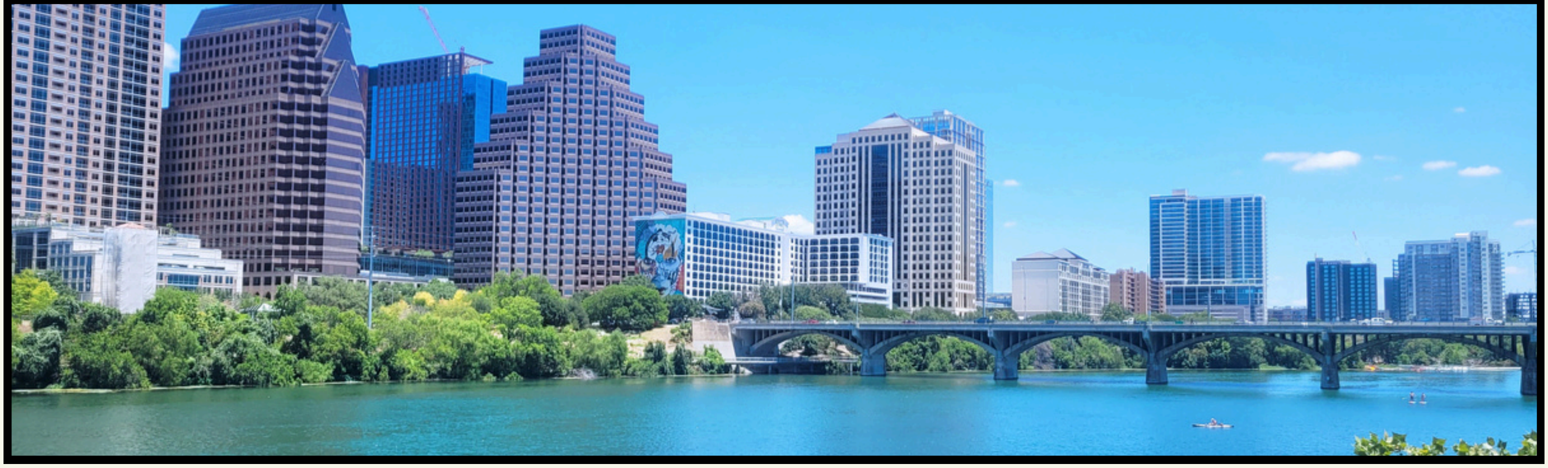
Building upon Monday's market gains, major indices predominantly closed the day in positive territory, buoyed by impressive earnings performances from notable companies such as General Motors, General Electric, Pepsi, Spotify, and Lockheed Martin.

Visa, a global financial services firm renowned for its leadership in digital payments, reported a robust 10% increase in revenue for the quarter, signaling strong operational performance. Additionally, Visa demonstrated commendable efforts to bolster cash inflows through its operations, achieving a slightuptick of approximately 1.5% in operating cash flow. However, the company experienced an overall cash loss primarily attributed to stock buybacks, investment securities purchases, and acquisitions. While these actions resulted in a depletion of cash reserves, they typically reflect confidence in the company's future prospects. Looking ahead, Visa anticipates revenue growth in the high single digits to low double digits over the year, underscoring its confidence in sustained growth.

On the contrary, Tesla, a globally renowned electric car manufacturer, faced a revenue decline of 9% in the first quarter of the year, primarily driven by a 13% drop in car-related revenue due to reduced demand for Tesla vehicles. Notably, Tesla highlighted a growing consumer preference for hybrid vehicles, citing their high fuel efficiency and the reliability of the existing automotive infrastructure for refueling. However, Tesla remains optimistic about the future adoption of electric vehicles as prices decrease and charging infrastructure expands. To address this, Tesla is actively expanding its network of supercharger stations, with a notable 26% increase to 6,249 stations. Nevertheless, Tesla currently grapples with profitability challenges. Despite efforts to streamline vehicle production costs, the company witnessed a staggering 55% decline in overall income from operations this quarter. Although production experienced a marginal 2% decline, a notable 9% drop in vehicle deliveries underscores significantly lower demand for Tesla cars.

Major Stock Indices Performance Today...

S&P 500: 1.20%   Dow Jones: 0.69%   NASDAQ: 1.59%



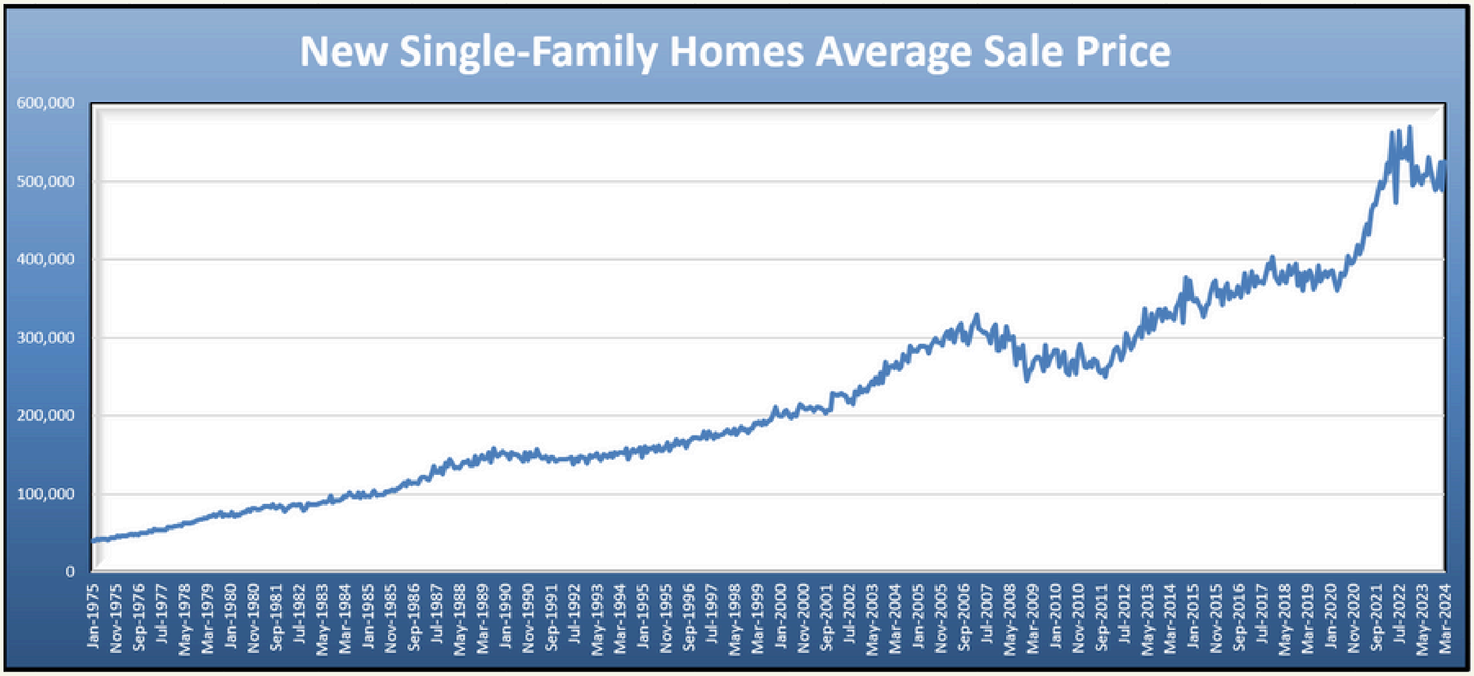
WEEKLY MARKET PULSE

March New Residential Sales Data

March provided a glimpse into the potential effects of a lower interest rate environment on demand and prices within the housing market. New residential sales data, focusing on newly constructed homes, serves as a crucial indicator of developments within this sector.

To begin, the average 30-year mortgage rate in March ranged between 6.8% and 6.9%, significantly lower than the peak observed in October, which hovered around 7.8%. The recent decline in rates can be attributed to market expectations of an early reduction in the Federal Funds Rate by the Federal Reserve, leading to decreases in interest rates across various loan types. However, these expectations have been postponed to September of this year, prompting interest rates to begin climbing once more. Despite this, homebuyers capitalized on the lower interest rates in March, fueling an increase in both prices and demand for new homes.

It is foreseeable that this surge in demand and prices will stabilize and potentially decelerate in the coming months. Nevertheless, it underscores the correlation between Federal Reserve rate adjustments and movements in housing demand and prices. While this may benefit current homeowners by boosting the value of their properties, it raises concerns regarding home affordability.



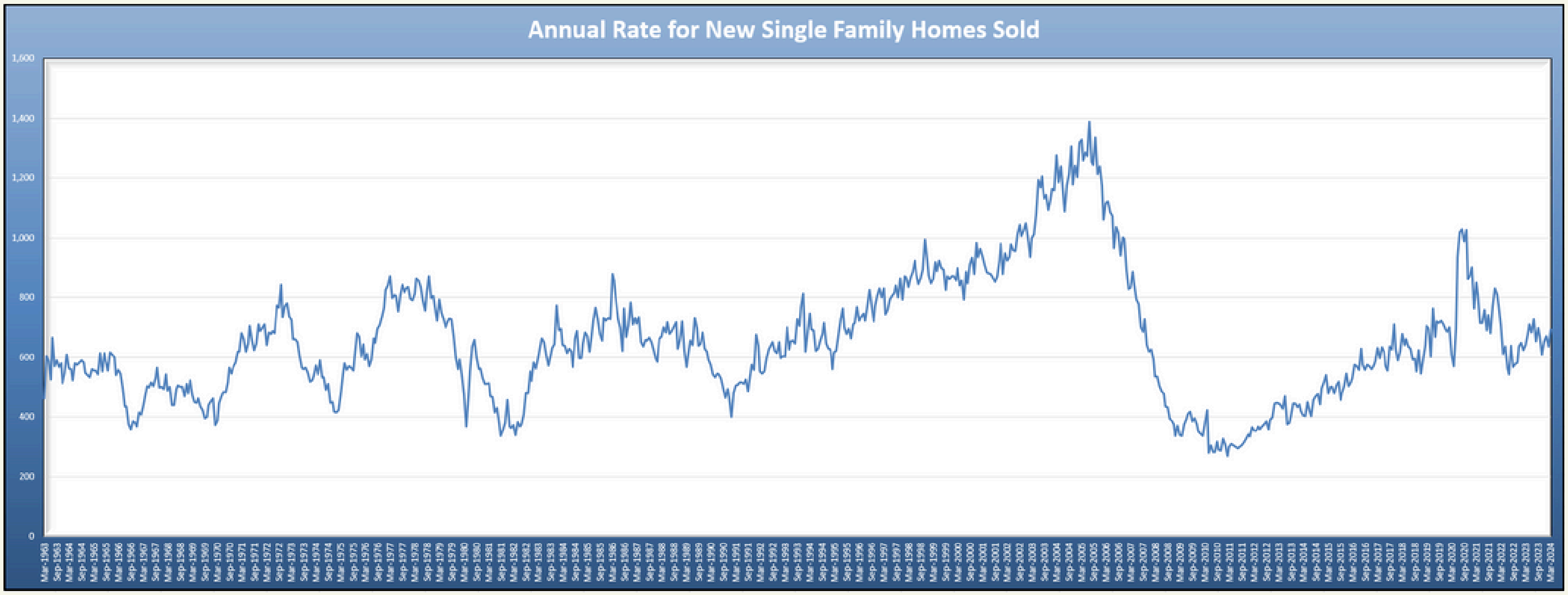
WEEKLY MARKET PULSE

March New Residential Sales Data

Since March 2014, average new home prices have escalated by approximately 58%, surpassing the 47% increase in average salaries for full-time workers, according to data from the SCE Labor Market Survey. This disparity underscores the growing challenge of affordability in the housing market. Notably, new home prices now stand at 6.3 times the average salary, compared to 5.8 times a decade earlier.

The escalating prices, coupled with higher mortgage rates, further exacerbate the affordability crisis for homebuyers. However, the impact of potential Federal Reserve rate cuts on housing prices remains uncertain, with factors such as increased supply potentially offsetting upward price pressure.

On the demand side, the number of new single-family homes sold increased by 8.3% compared to the previous March, reaching a seasonally adjusted annual rate of 693,000 homes. Despite a slowdown from its peak in 2022, housing demand remains robust, with new homes selling at a faster pace, requiring only 2.8 months for sale after completion, compared to an average of 3.25 months over the past decade.



SERENE FINANCIAL
SOLUTIONS

WEEKLY MARKET PULSE

WEDNESDAY

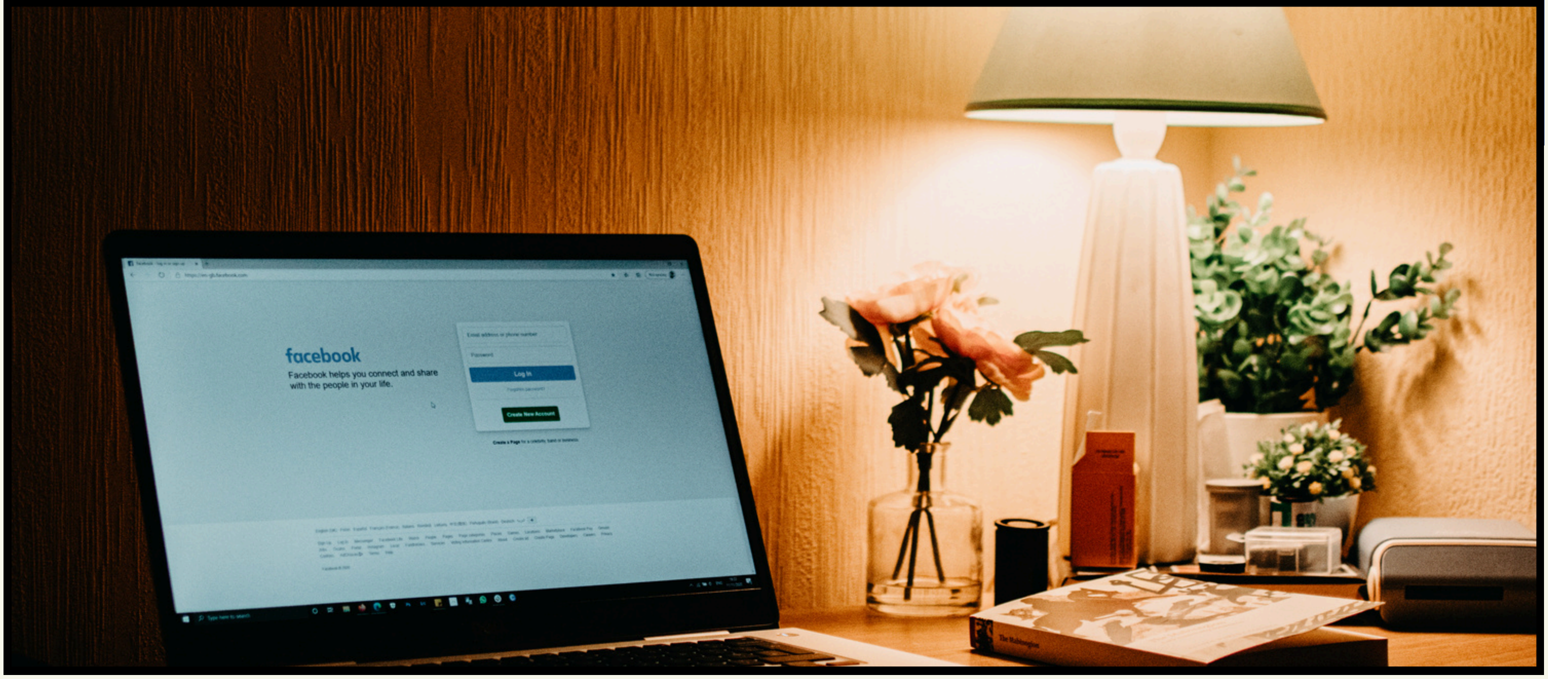
Major market indices concluded the day with a mixed performance, although Tesla investors found reason for optimism following Elon Musk's announcement of plans to introduce more affordable models by 2025. However, given Tesla's track record of production delays, the realization of these plans remains uncertain.

Turning to company earnings, Meta Platforms, formerly known as Facebook, delivered a robust quarter, with a notable 27% increase in revenue and over 90% growth in operating income. Despite this impressive performance, market sentiment was tempered by the company's revenue guidance for the upcoming quarter, which fell short of analysts' expectations. Facebook anticipates a maximum revenue growth of 7% compared to the first quarter, a figure below market projections.

Despite this, Meta Platforms reported a remarkable net income of $12.37 billion, representing a staggering increase of over 115% compared to Q1 2023. This strong financial performance translated into robust operating cash flows, with Meta witnessing a substantial 37% surge in cash generated from operations.

Major Stock Indices Performance Today...

S&P 500: 0.02% Dow Jones: -0.11% NASDAQ: 0.10%



WEEKLY MARKET PULSE

SERENE FINANCIAL SOLUTIONS

THURSDAY

Markets faced a downturn following Thursday's GDP release, which revealed GDP figures lower than the 2.5% anticipated by analysts. The first quarter of 2024 saw GDP come in at 1.6%. Subsequently, interest rates on U.S. debt, including Treasury bonds, surged as the GDP report highlighted inflation reaching 3.4%.

Turning to company earnings, Microsoft continued its robust growth trajectory, with a 17% increase in revenues and a remarkable 23% rise in operating income over the quarter. Key drivers of performance included Azure and other cloud services, Xbox content and services, Dynamics 365, Microsoft Cloud, and server products and cloud services. With Microsoft playing a pivotal role in fostering AI growth through its cloud services, it is strategically positioned to capitalize on the burgeoning AI industry.

Furthermore, Microsoft demonstrated strong cash generation from operations, with operational cash flow surging by over 30% during the quarter, primarily fueled by improved operational profitability. However, the tech giant experienced a substantial 26% decline in cash and cash equivalents for the quarter, largely attributed to debt repayments, reduced debt issuance, and investments in new property and equipment.

Alphabet, the parent company of Google, delivered robust financial performance driven by revenue growth across key segments such as Google Search, YouTube, and Cloud. Management expressed high optimism regarding Google's future in the AI domain, positioning itself ahead of the upcoming wave of AI innovation. Revenues grew by 15% compared to Q1 2023, while operating income surged by an impressive 46%. Notably, YouTube ads revenue increased by nearly 21%, Google Search & other revenue grew by 14%, and Cloud revenue saw a substantial 28% growth. Continued growth is anticipated in the coming years, particularly in Cloud revenue, as the AI industry expands, and in YouTube ads revenue, as consumers increasingly favor short-form video content.

Major Stock Indices Performance Today...

S&P 500: -0.46% Dow Jones: -0.98% NASDAQ: -0.64%

SERENE FINANCIAL SOLUTIONS

WEEKLY MARKET PULSE

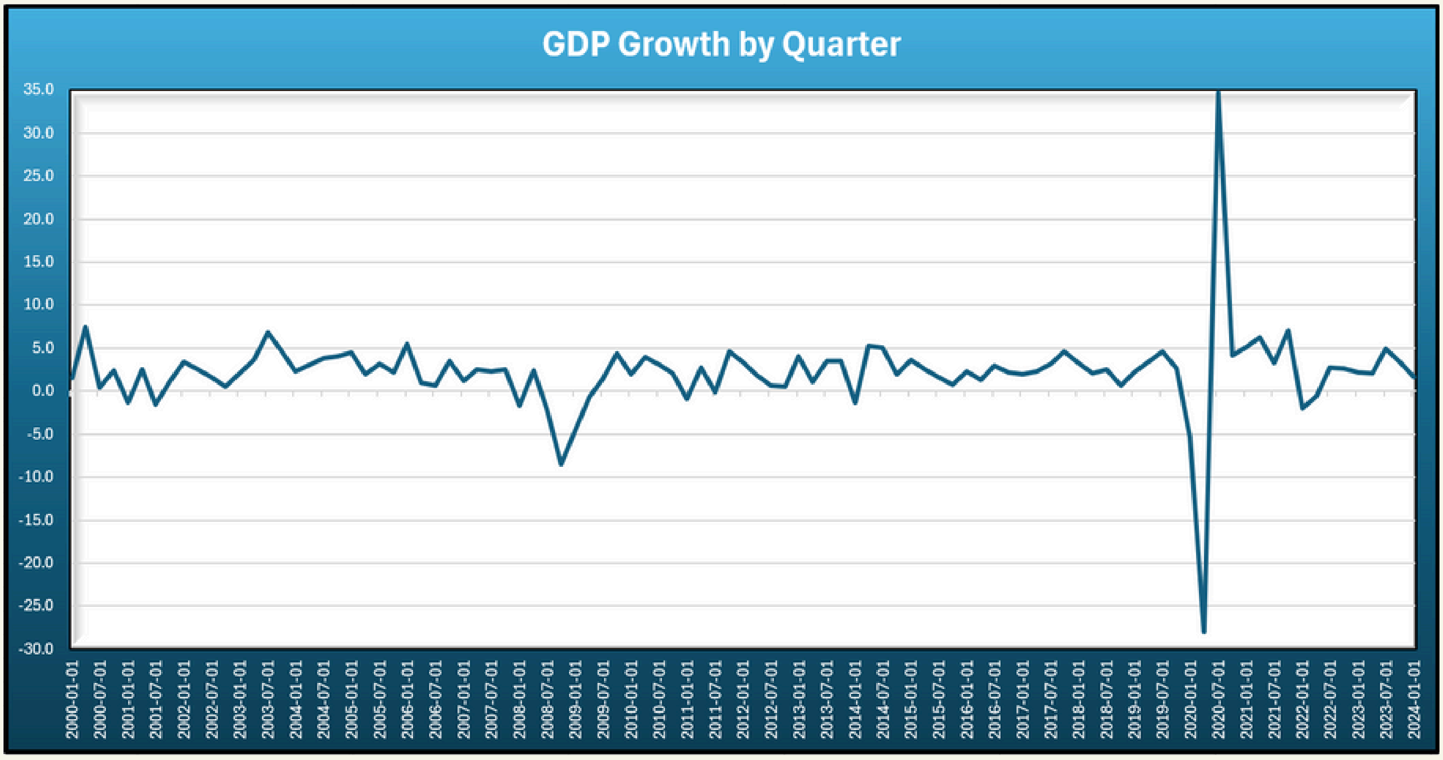
2024 First Quarter GDP

Real GDP, an inflation-adjusted measure of economic growth, expanded at an annual rate of 1.6% in the first quarter of 2024. This represents a deceleration from the previous quarter's growth rate of 3.4%, indicating a slower pace of economic expansion in the United States.

In the first quarter, GDP growth was primarily driven by increased consumer spending, residential fixed investment, nonresidential fixed investment, and state and local government spending. However, this growth was offset by decreases in private inventory investment and increases in foreign imports.

Decelerations in consumer spending, exports, and government spending contributed to the slower GDP growth observed in the first quarter of this year.

Specific goods and services that experienced growth in spending include healthcare, financial services, insurance, new single-family construction, brokers' commissions, and intellectual property products, along with higher compensation for government employees. Conversely, sectors such as motor vehicles and parts, gas and other energy goods, wholesale trade and manufacturing, and imports of goods and services did not experience growth.

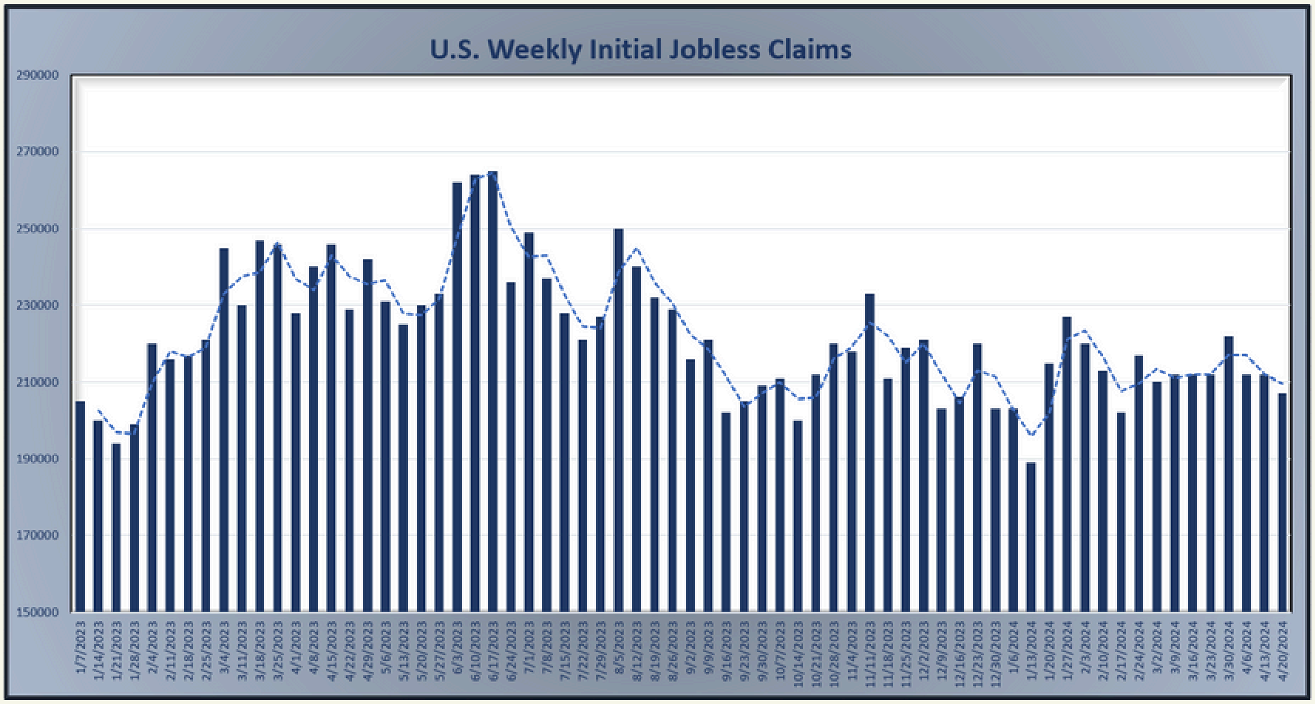


WEEKLY MARKET PULSE

U.S. Initial Jobless Claims (Week ending April 20th)

Initial jobless claims, representing the number of individuals filing for unemployment benefits, totaled 207,000 in the most recent week, reflecting a decrease of 5,000 from the unrevised level of the previous week. Additionally, the number of individuals recognized under insured unemployment, representing continued claims for unemployment, declined by 15,000 in the most recent reporting period. These metrics signal a robust U.S. labor market, characterized by fewer new entrants into unemployment and a growing number of individuals exiting it. Despite these positive indicators, they do not align with the prevailing sentiment across America. However, the data underscores a weakening trend in the labor market compared to the previous year, with the number of insured unemployed individuals filing for continued claims increasing by 3.4%.

In the week ending April 13, several states witnessed elevated levels of layoffs, including California, Connecticut, Georgia, and Oregon. Among these states, Georgia provided specific insights into industries experiencing heightened layoffs, which encompassed manufacturing, healthcare, social assistance, professional, scientific, and technical services, among others. Conversely, states such as New Jersey, Wisconsin, Pennsylvania, Illinois, Minnesota, and Ohio reported fewer layoffs across various sectors, including construction, manufacturing, transportation and warehousing, and accommodation and food services.



WEEKLY MARKET PULSE

FRIDAY

Tech stocks surged on Friday following robust earnings reports from industry giants Google and Microsoft. Google's stock soared by an impressive 10.2%, buoyed by strong growth figures that excited investors. Analysts, in particular, were pleased to see both companies reaping the rewards of their recent advancements in the AI industry, alleviating concerns of over-speculation.

Meanwhile, Microsoft's stock witnessed more modest growth on Friday, gaining approximately 1.8%. Despite the smaller increase compared to Google, investors still welcomed Microsoft's positive performance and its contribution to the overall bullish sentiment in the tech sector.

Major Stock Indices Performance Today...

S&P 500: 1.02%   Dow Jones: 0.40%   NASDAQ: 2.03%

SERENE FINANCIAL
SOLUTIONS

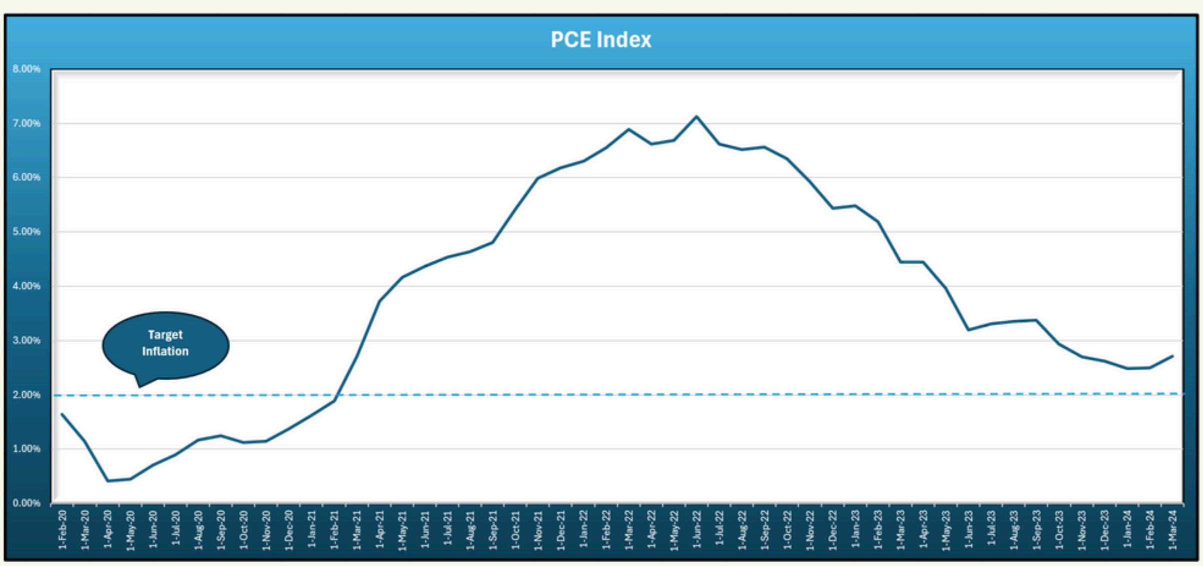
WEEKLY MARKET PULSE

Personal Consumption Expenditures Index

PCE data serves as a crucial measure of inflation, reflecting fluctuations in prices across various goods and services within the American economy. Core PCE, which excludes volatile food and energy prices, is favored by the Federal Reserve as the preferred metric for assessing inflation trends. In March, PCE inflation increased from 2.5% in February to 2.7%, while Core PCE remained steady at 2.8%. This persistent inflation is concerning, particularly given the already elevated prices experienced by most households across America.

Of particular concern is the divergence between decelerating GDP growth and accelerating inflation. In a healthy economy, prices typically rise alongside economic growth. However, if inflation continues to accelerate while GDP growth slows, the U.S. could potentially face stagflation—a scenario characterized by inflation coupled with stagnant economic growth. While this scenario is unlikely, it is important to monitor as more data becomes available in the coming months.

Regarding expenditure patterns, services have witnessed the greatest increase in costs for Americans, with prices growing by approximately 4%. Conversely, goods prices have experienced only a slight uptick, at a rate of 0.1%. Americans are allocating more spending toward essential expenses such as healthcare, housing and utilities, food and beverages, gasoline and other energy goods, and nondurable goods like recreational items. This trend reflects an increase in overall spending, primarily on necessities.



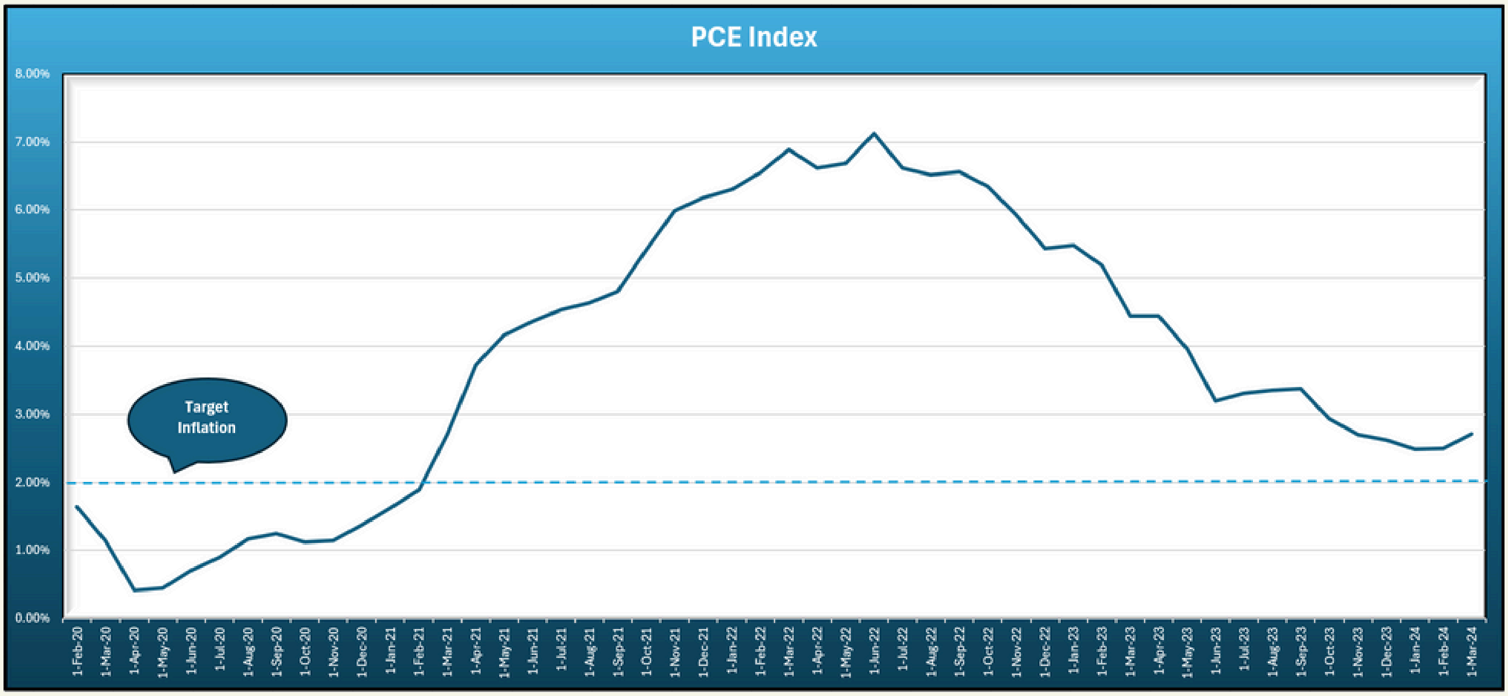
SERENE FINANCIAL SOLUTIONS

WEEKLY MARKET PULSE

Personal Consumption Expenditures Index

On a positive note, disposable or after-tax income saw a 0.5% increase in March, leading to higher take-home earnings for Americans. However, this uptick in income is likely to exert upward pressure on inflation through wage inflation, as increased disposable income stimulates demand for goods and services, prompting companies to raise prices.

It is important for individuals to closely monitor their expenditures and avoid living beyond their means, especially following an increase in income. While higher income can be exciting, it's essential to exercise caution amid rising prices. Additionally, the declining personal saving rate underscores the importance of saving for building wealth and financial independence. Even small increases in savings can significantly contribute to long-term financial stability and prosperity.



MAJOR STOCK INDEX PERFORMANCE

	S&P 500	Dow Jones Industrial Average	Nasdaq Composite
Percent Change (Monday)	0.87%	0.67%	1.11%
Percent Change (Tuesday)	1.20%	0.69%	1.59%
Percent Change (Wednesday)	0.02%	-0.11%	0.10%
Percent Change (Thursday)	-0.46%	-0.98%	-0.64%
Percent Change (Friday)	1.02%	0.40%	2.03%
Weekly Change	2.67%	0.67%	4.23%

U.S. TREASURY SECURITY YIELDS (IN PERCENT)

	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
Monday	5.49	5.5	5.42	5.44	5.39	5.16	4.97	4.81	4.66	4.65	4.62	4.84	4.72
Tuesday	5.49	5.5	5.45	5.44	5.39	5.14	4.86	4.76	4.63	4.62	4.61	4.84	4.73
Wednesday	5.49	5.5	5.46	5.44	5.4	5.17	4.89	4.78	4.64	4.66	4.65	4.88	4.78
Thursday	5.48	5.51	5.47	5.46	5.41	5.21	4.96	4.85	4.7	4.71	4.7	4.93	4.82
Friday	5.48	5.51	5.46	5.45	5.4	5.21	4.96	4.84	4.68	4.68	4.67	4.89	4.78

LINKS TO ECONOMIC/FINANCIAL DATA FROM THIS WEEK

March New Residential Construction

https://www.census.gov/construction/nrs/current/index.html

2024 First Quarter GDP

https://www.bea.gov/news/2024/gross-domestic-product-first-quarter-2024-advance-estimate

U.S. Initial Jobless Claims (Week ending April 20th)

https://www.dol.gov/ui/data.pdf

March Personal Consumption Expenditures Index

https://www.bea.gov/news/2024/personal-income-and-outlays-march-2024

SERENE FINANCIAL SOLUTIONS

WEEKLY MARKET PULSE

DISCLAIMER

Past performance shown is not indicative of future results, which could differ substantially.

The information provided is for educational and informational purposes only and does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status, or investment horizon.

The views expressed in this commentary are subject to change based on market and other conditions. These documents may contain certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected. Any projections, market outlooks, or estimates are based upon certain assumptions and should not be construed as indicative of actual events that will occur.

All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability, or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.

Serene Financial Solutions, LLC (“serene financial solutions”) is a registered investment advisor. Advisory services are only offered to clients or prospective clients where Serene Financial Solutions and its representatives are properly licensed or exempt from licensure.