SERENE FINANCIAL SOLUTIONS

WEEKLY MARKET PULSE

MONDAY

Major stock indices ended the day mostly in positive territory following a week with several reports on the health of the labor market, company earnings, and the FOMC meeting, during which Jerome Powell will announce the Federal Reserve's monetary policy plans.

Tesla's stock dominated headlines on Monday after CEO Elon Musk traveled to China and concluded his visit by receiving approval from Chinese government officials to release its driver assistance program in the country. This development is significant for Tesla, given that China holds the largest automobile market share in the world, both in terms of manufacturing and purchases.

Major Stock Indices Performance Today...

S&P 500: 0.32%   Dow Jones: 0.38%   NASDAQ: 0.35%

WEEKLY MARKET PULSE

TUESDAY

Major market indices declined on Tuesday in response to data from the March Employment Cost Index, which showed that compensation growth in the United States increased at a faster rate than expected. Markets reacted negatively to this good news for workers because many analysts and economists anticipate continued wage growth, advising against rate cuts. Increases in wages and compensation can lead to inflationary pressures as companies raise prices to cover higher labor costs, and consumers spend more as their incomes rise. Consequently, some analysts and economists believe the Federal Reserve will need to maintain higher interest rates for longer, which from an investor's perspective, isn't typically an optimistic scenario because higher interest rates tend to slow down economic growth.

Amazon, the largest e-commerce and cloud computing platform globally, had a robust first quarter of the year, increasing its revenue by approximately 13% compared to Q1 2023, bringing its total net sales revenue to slightly over $143 billion. For the second quarter, Amazon expects its revenue to grow between 7% and 11% compared to Q2 2023, a slightly slower pace than the current quarter's growth. While online stores remain Amazon's primary revenue source, third-party seller services (16%), advertising (24%), and AWS cloud computing (17%) are its fastest-growing business segments.

Eli Lilly, one of the world's largest pharmaceutical companies, reported strong revenue growth of 26% compared to the first quarter of last year. This growth was primarily driven by demand for its Mounjaro product, which treats type 2 diabetes and aids in weight loss, and Zepbound, designed to help overweight adults lose weight. According to Eli Lilly, when paired with dieting and exercise, Zepbound can help individuals lose up to 48 pounds in less than a year and a half, compared to 7 pounds for individuals who only diet and exercise. While the product has demonstrated value in weight loss, there are risks for both customers and Eli Lilly if severe side effects become common. Users of Zepbound have reported thyroid tumors, neck lumps and swelling, difficulty swallowing, and breathing issues.

Major Stock Indices Performance Today...

S&P 500: -1.57% Dow Jones: -1.49% NASDAQ: -2.04%

SERENE FINANCIAL SOLUTIONS

WEEKLY MARKET PULSE

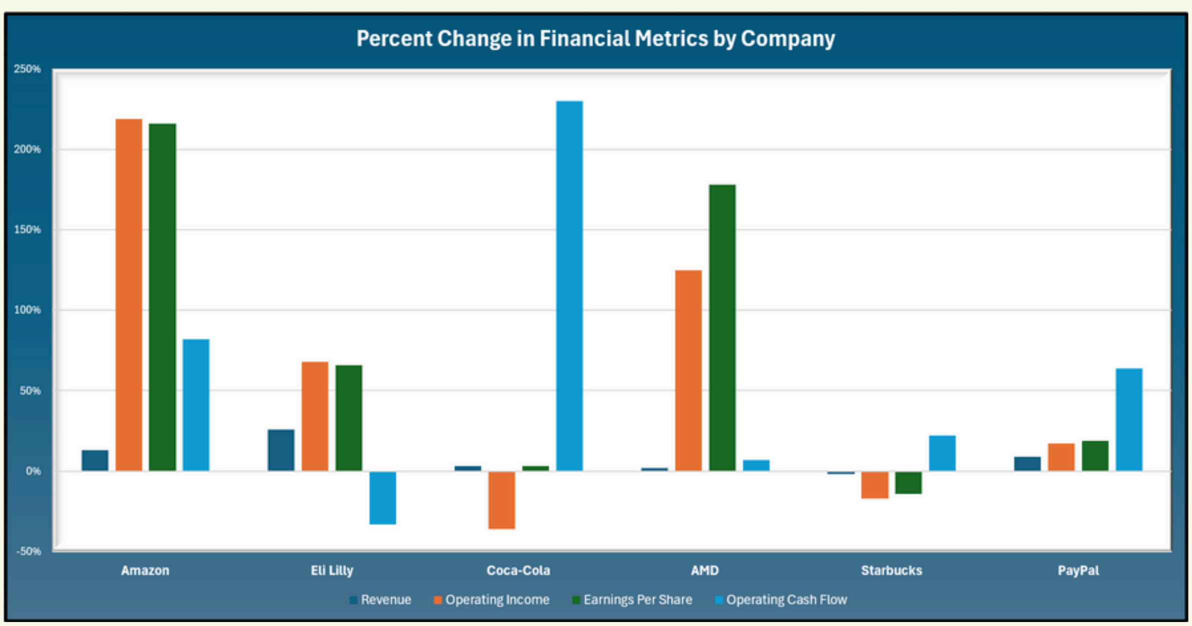
Company Earnings

PayPal, renowned for its online payments system, achieved revenue growth just under 10% in the first quarter, with total payment volume rising by 14%. Demand for PayPal continues to increase, and the company plans to capitalize on this by focusing on long-term growth strategies. PayPal is reinvesting in its operations, with its second-largest expense being in technology and development.

As a result of increased competition, lengthy wait times, and high prices, Starbucks experienced unremarkable growth, or lack thereof, in the quarter. Revenues fell by 2%, and operating income dropped by 17%. What's particularly concerning is that Starbucks continues to open hundreds of more stores in the U.S. and abroad, which would ideally contribute to revenue growth.

AMD, a leader in the semiconductor industry, achieved modest 2% growth over the quarter. The company experienced strong growth in its data center and client segments, increasing by 80% and 85%, respectively, while its gaming and embedded segments saw revenues decline by over 45%.

Coca-Cola's revenue grew by 3% over the quarter, with most of its popular drinks experiencing low single-digit increases in sales revenue. Coca-Cola's revenue grew by 2%. While the company's growth has slowed due to its size, it continues to gain market share in the nonalcoholic beverages market. Additionally, the company reports significant cash flow generation since Q1 2023, citing strong business performance and working capital initiatives.

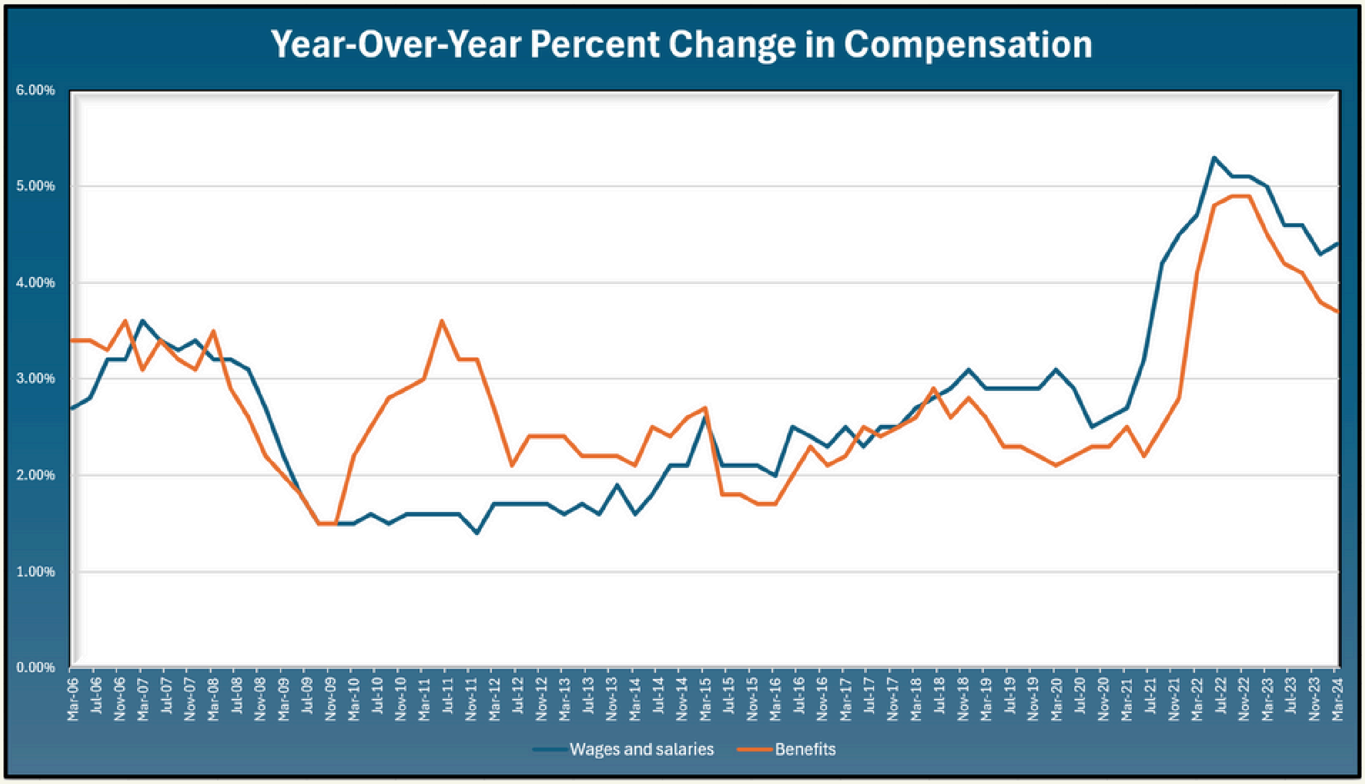


WEEKLY MARKET PULSE

March Employment Cost Index

Compensation costs, which encompass wages/salaries and benefits, have risen by 4.2% over the past year. Specifically, wages and salaries have increased by 4.4%, while benefits have risen by 3.7%. To provide context, the average growth rate of wages and salaries (dating back to March 2006) is 2.7%, aligning with the average growth rate of compensation overall. Americans haven't witnessed sustained wage growth at this level in quite some time, coinciding with prices increasing at their fastest pace in years. However, it's worth noting that both wage and compensation growth have steadily declined since reaching their peaks in 2022. Based on this trend, it's likely that wage and compensation growth will continue to regress toward pre-pandemic levels in the foreseeable future.

As we've mentioned previously, economic indicators such as wage growth vary significantly by locality. Among the metropolitan regions covered in the Employment Cost Index, the Miami metro area has experienced the most rapid growth in wages and salaries, currently standing at 7.1%. While wage growth has decreased nationally, Miami's wage and salary growth has surged from 5.1% in December 2022 to its current rate. Conversely, Phoenix is experiencing some of the lowest growth rates in salaries and wages, currently at 2.8%.



WEEKLY MARKET PULSE

SERENE FINANCIAL SOLUTIONS

March Employment Cost Index: Wages and Salary Growth by Metro

Wages and Salary 12-Month % Change by Metropolitan Region

Month	Atlanta-Athens-Clarke County-Sandy Springs, GA CSA	Boston-Worcester-Providence, MA-RI-NH-CT CSA	Chicago-Naperville, IL-IN-WI CSA	Dallas-Fort Worth, TX CSA	Detroit-Warren-Ann Arbor, MI CSA	Houston-The Woodlands, TX CSA	Los Angeles-Long Beach, CA CSA	Miami-Fort Lauderdale-Port St. Lucie, FL CSA	Minneapolis-St. Paul, MN-WI CSA	New York-Newark, NY-NJ-CT-PA CSA	Philadelphia-Reading-Camden, PA-NJ-DE-MD CSA	Phoenix-Mesa-Scottsdale, AZ MSA	San Jose-San Francisco-Oakland, CA CSA	Seattle-Tacoma, WA CSA	Washington-Baltimore-Arlington, DC-MD-VA-WV-PA CSA
Mar-14	0.7%	2.2%	1.8%	2.7%	1.1%	2.4%	1.1%	2.3%	1.4%	1.2%	1.4%	1.2%	3.4%	1.7%	1.4%
Jun-14	0.4%	2.8%	2.4%	4.4%	0.4%	2.3%	1.2%	1.7%	2.0%	1.3%	1.5%	1.1%	4.3%	0.9%	1.0%
Sep-14	1.1%	2.6%	2.3%	3.5%	0.1%	1.5%	2.3%	1.7%	2.5%	1.7%	1.4%	1.2%	3.9%	1.4%	1.0%
Dec-14	1.6%	3.5%	1.9%	2.3%	0.2%	2.1%	2.4%	2.5%	2.6%	2.6%	2.0%	1.4%	4.9%	2.7%	1.2%
Mar-15	1.8%	3.9%	2.4%	2.3%	0.2%	2.1%	3.4%	1.9%	2.3%	2.5%	2.3%	2.4%	2.5%	2.9%	0.7%
Jun-15	2.0%	3.0%	1.8%	2.1%	1.7%	2.0%	3.1%	2.4%	3.2%	2.4%	2.4%	2.3%	2.2%	3.2%	1.5%
Sep-15	2.2%	3.6%	1.8%	3.3%	2.4%	2.5%	2.6%	2.6%	2.4%	1.7%	2.2%	2.7%	1.8%	2.9%	1.8%
Dec-15	2.1%	2.5%	1.9%	2.9%	2.9%	1.6%	2.7%	1.8%	4.9%	1.4%	1.5%	2.3%	1.6%	2.8%	2.2%
Mar-16	3.2%	2.9%	2.0%	2.5%	3.5%	2.1%	3.7%	3.5%	1.7%	2.1%	1.0%	1.9%	2.1%	3.5%	2.5%
Jun-16	3.2%	2.9%	2.0%	1.8%	3.6%	2.1%	4.0%	2.9%	1.0%	2.1%	2.0%	2.4%	2.3%	2.9%	2.5%
Sep-16	2.7%	2.5%	2.6%	2.3%	2.6%	1.7%	3.8%	2.1%	2.8%	3.2%	2.3%	2.6%	3.0%	3.6%	2.1%
Dec-16	4.2%	2.9%	3.0%	1.5%	2.3%	2.3%	3.1%	3.6%	-0.2%	3.3%	2.4%	2.8%	2.9%	3.7%	2.8%
Mar-17	3.0%	3.0%	2.7%	2.8%	3.5%	2.2%	2.7%	3.1%	2.9%	3.2%	3.0%	3.1%	3.3%	3.6%	2.8%
Jun-17	2.6%	2.9%	2.8%	3.1%	2.2%	2.5%	2.7%	3.9%	3.0%	3.5%	2.0%	2.9%	3.1%	3.6%	2.5%
Sep-17	2.7%	2.8%	2.3%	1.9%	2.8%	2.6%	3.2%	3.9%	1.0%	3.2%	1.8%	3.0%	2.9%	3.8%	3.3%
Dec-17	1.5%	2.2%	2.6%	3.2%	3.2%	2.0%	3.3%	2.3%	1.1%	2.4%	2.4%	3.1%	3.6%	3.4%	3.0%
Mar-18	1.7%	1.7%	2.9%	2.2%	2.8%	2.3%	3.1%	2.7%	3.9%	3.1%	2.7%	4.0%	4.9%	3.6%	2.8%
Jun-18	2.0%	1.1%	3.1%	1.8%	3.4%	1.9%	3.3%	3.1%	3.1%	2.8%	2.8%	3.6%	4.5%	3.9%	3.5%
Sep-18	2.1%	2.0%	3.5%	2.5%	3.2%	2.0%	3.0%	3.0%	4.7%	2.8%	2.9%	3.4%	4.5%	3.7%	3.0%
Dec-18	2.2%	2.0%	3.0%	2.0%	2.7%	1.9%	3.7%	3.1%	5.2%	3.6%	2.0%	4.1%	3.8%	3.7%	2.6%
Mar-19	2.5%	2.4%	2.7%	2.9%	1.8%	1.4%	4.5%	2.9%	2.2%	3.5%	1.9%	3.1%	3.3%	2.9%	2.4%
Jun-19	3.0%	3.0%	2.4%	2.7%	2.8%	1.5%	4.3%	1.7%	2.8%	3.9%	1.9%	3.8%	3.0%	2.9%	2.1%
Sep-19	3.9%	2.9%	2.3%	3.0%	3.0%	1.5%	4.2%	2.5%	2.8%	4.0%	1.8%	4.0%	2.9%	2.4%	2.4%
Dec-19	3.8%	3.9%	2.6%	3.4%	3.7%	1.6%	4.0%	2.6%	2.2%	4.0%	2.5%	3.7%	3.2%	1.3%	2.9%
Mar-20	4.3%	4.0%	3.8%	3.7%	3.7%	2.8%	4.1%	2.0%	3.6%	2.9%	2.9%	4.4%	4.4%	3.3%	3.5%
Jun-20	3.6%	4.3%	3.4%	3.7%	3.0%	2.6%	4.0%	1.8%	3.1%	2.6%	2.5%	4.4%	3.3%	3.4%	3.9%
Sep-20	2.6%	3.7%	2.8%	2.4%	3.0%	2.2%	3.1%	1.6%	2.1%	1.9%	2.8%	3.8%	4.0%	3.6%	3.9%
Dec-20	3.4%	3.2%	3.2%	2.8%	2.9%	3.0%	4.5%	1.5%	1.8%	1.8%	3.7%	4.2%	3.7%	4.1%	3.9%
Mar-21	2.9%	2.9%	3.3%	2.3%	2.5%	1.1%	4.8%	4.0%	2.4%	3.1%	3.0%	3.4%	2.1%	2.6%	4.0%
Jun-21	3.4%	3.6%	3.0%	3.0%	2.8%	2.1%	5.4%	2.9%	2.4%	2.3%	3.8%	3.5%	3.4%	2.4%	4.3%
Sep-21	3.0%	4.2%	4.4%	4.3%	2.7%	2.7%	6.5%	4.7%	3.4%	4.3%	4.2%	4.4%	3.3%	2.5%	4.7%
Dec-21	3.1%	4.8%	4.1%	4.6%	3.7%	3.9%	5.5%	6.0%	4.5%	4.6%	4.1%	5.3%	3.2%	3.8%	4.2%
Mar-22	3.4%	6.1%	3.8%	5.4%	5.1%	5.2%	5.6%	4.6%	5.0%	4.2%	4.7%	6.4%	3.8%	4.5%	3.5%
Jun-22	4.4%	5.8%	5.1%	5.9%	4.9%	6.1%	5.7%	6.8%	5.8%	5.3%	3.9%	6.5%	4.5%	5.4%	3.8%
Sep-22	5.2%	5.7%	4.6%	5.7%	5.0%	5.9%	6.1%	7.1%	5.9%	4.6%	4.9%	6.6%	4.4%	5.9%	4.1%
Dec-22	4.8%	5.8%	4.4%	5.5%	4.1%	3.3%	5.9%	6.8%	5.3%	5.0%	4.4%	5.0%	4.5%	6.2%	4.3%
Mar-23	5.6%	4.0%	3.5%	5.1%	3.8%	3.4%	4.9%	6.0%	4.3%	4.3%	6.5%	5.2%	4.7%	5.9%	5.7%
Jun-23	4.6%	4.2%	4.2%	4.3%	4.1%	2.6%	5.3%	5.5%	4.1%	4.6%	6.6%	4.3%	4.4%	5.4%	5.7%
Sep-23	4.6%	4.7%	4.1%	3.8%	4.1%	3.9%	4.9%	4.9%	3.6%	4.8%	5.5%	3.8%	3.5%	4.9%	5.5%
Dec-23	4.4%	3.4%	4.1%	3.7%	4.3%	4.9%	5.0%	5.1%	3.7%	4.3%	4.7%	4.4%	2.8%	4.3%	4.9%
Mar-24	**5.1%**	**3.5%**	**4.4%**	**3.8%**	**3.6%**	**5.3%**	**4.5%**	**7.1%**	**4.2%**	**4.2%**	**3.0%**	**2.8%**	**4.7%**	**3.9%**	**5.1%**
Average	3.0%	3.4%	3.0%	3.2%	2.9%	2.7%	3.9%	3.5%	3.1%	3.2%	3.0%	3.5%	3.5%	3.5%	3.1%

SERENE FINANCIAL SOLUTIONS

WEEKLY MARKET PULSE

WEDNESDAY

Major market indices closed the day with mixed results following Fed Chair Jerome Powell's announcement that the Federal Reserve would leave interest rates unchanged. While markets welcomed Powell's indication that an interest rate increase was unlikely, concerns lingered regarding whether the Fed's current monetary policy strategy would effectively bring inflation down to the 2% target rate.

Financial services company Mastercard reported a 10% increase in revenue, fueled by robust consumer spending. Despite growth in transaction volumes and value-added services, Mastercard revised its revenue forecasts for the year, lowering them from the high end of double digits to the low end. This adjustment may signal the company's concerns about potential challenges in consumer spending growth for the remainder of the year.

Qualcomm, a leading player in the semiconductor industry, saw relatively stable revenue in the first quarter, with a modest 1% growth to $8 billion. Revenue was primarily bolstered by its smallest segment, automotive, which experienced a notable 35% increase in revenues.

Major Stock Indices Performance Today...

S&P 500: -0.34% Dow Jones: 0.23% NASDAQ: -0.33%

SERENE FINANCIAL SOLUTIONS

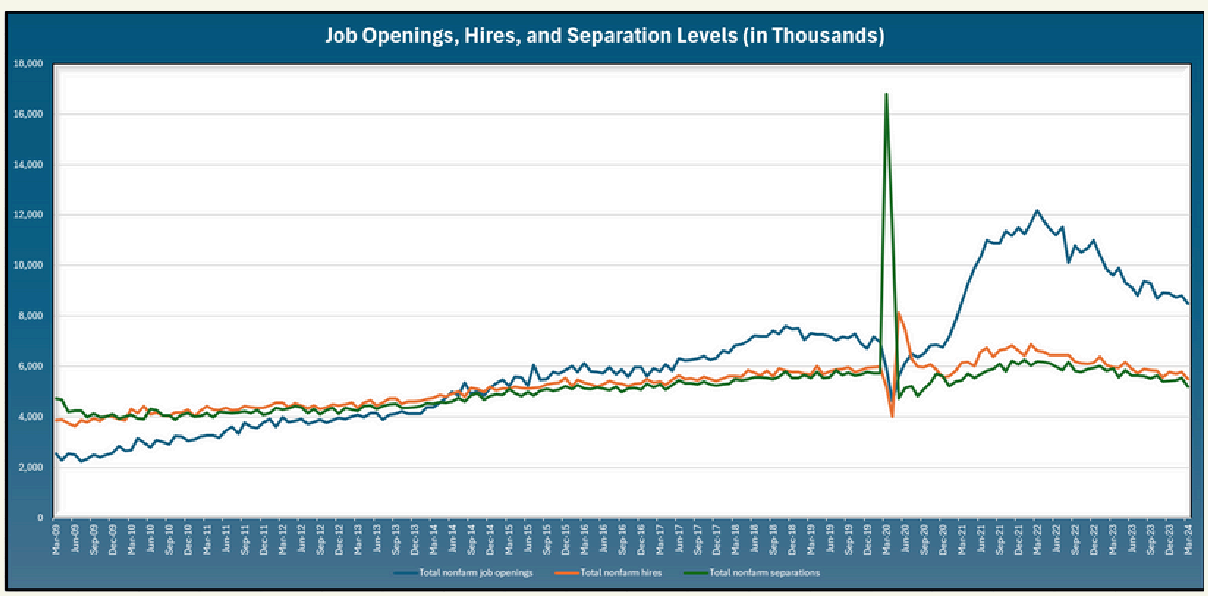
WEEKLY MARKET PULSE

March Job Openings and Labor Turnover

In March, job openings declined to 8.5 million, marking a 12% decrease compared to March 2023's 9.6 million openings. Similarly, job hires decreased to 5.5 million, an 8% decline from nearly 6 million hires in March 2023. The consecutive declines in job openings and hires contribute to the perception of a challenging and competitive job market among Americans. However, it's worth noting that both job openings and hires remain above pre-pandemic levels, indicating sustained demand in the labor market.

Regarding job separations, which include voluntary and involuntary exits, there was a 12% decrease compared to March 2023, declining from 5.9 million to 5.2 million. This decline is primarily attributed to fewer quits, reflecting a cautious approach among Americans in a highly competitive labor market. While some reluctance to transition to new employers may contribute to lower quit levels, it's good to see a decrease in layoffs compared to the previous year. Layoffs decreased from 1.8 million in March 2023 to 1.5 million this March, marking over a 16% decline.

Analyzing the data by industry reveals interesting trends. Notably, no private industry saw an increase in hires this March compared to the previous year. Only state and local governments experienced a modest 1% increase in hiring. Additionally, goods-producing industries are experiencing significant declines in hiring growth, suggesting potential slowdowns in these sectors. In terms of job separations, the finance and insurance industry was the only sector to experience a slight 2% increase in separations.



WEEKLY MARKET PULSE

FOMC Meeting Summary and Analysis

Powell initially acknowledges that while inflation has eased over the past year, it remains stubbornly high, despite the strength of the labor market. Consequently, the decision is made to keep interest rates unchanged to help bring inflation back down to its target rate of 2%. Additionally, Powell mentions the Federal Reserve's intention to reduce the rate of its security selloffs. When the Fed sells securities from its balance sheet, it effectively withdraws money from circulation, aiming to counteract inflationary pressures. This move is expected to slightly lessen one of the forces acting against inflation in the United States.

Recent months have seen inflation persistently high, as evidenced by the latest PCE report. Powell also discusses the recent GDP figure, noting a growth rate decrease to 1.6% compared to the previous quarter's 3.4%. However, GDP excluding net exports, government spending, and inventory investment was 3.1%, indicating robust economic activity and demand within the United States. While consumer spending remains strong, there's a notable trend of Americans dipping further into their savings to sustain spending habits, reflecting vulnerabilities to higher prices. This has led to increased spending on credit and reduced saving rates.

The labor market, while still strong, is tightening as demand for workers continues to outpace supply. Increased immigration and higher labor participation among individuals aged 25-54 are helping to balance the labor supply and demand. As labor supply grows, employers may offer less attractive compensation packages in certain industries.

Powell suggests that if inflation comes down closer to 2% or if there's an unexpected slowdown in the labor market, interest rates will likely be cut. Markets are expected to react positively to data indicating slowing inflation and labor market slowdowns in the coming months, as these outcomes would signal a move towards lower interest rates, stimulating economic growth.

WEEKLY MARKET PULSE

THURSDAY

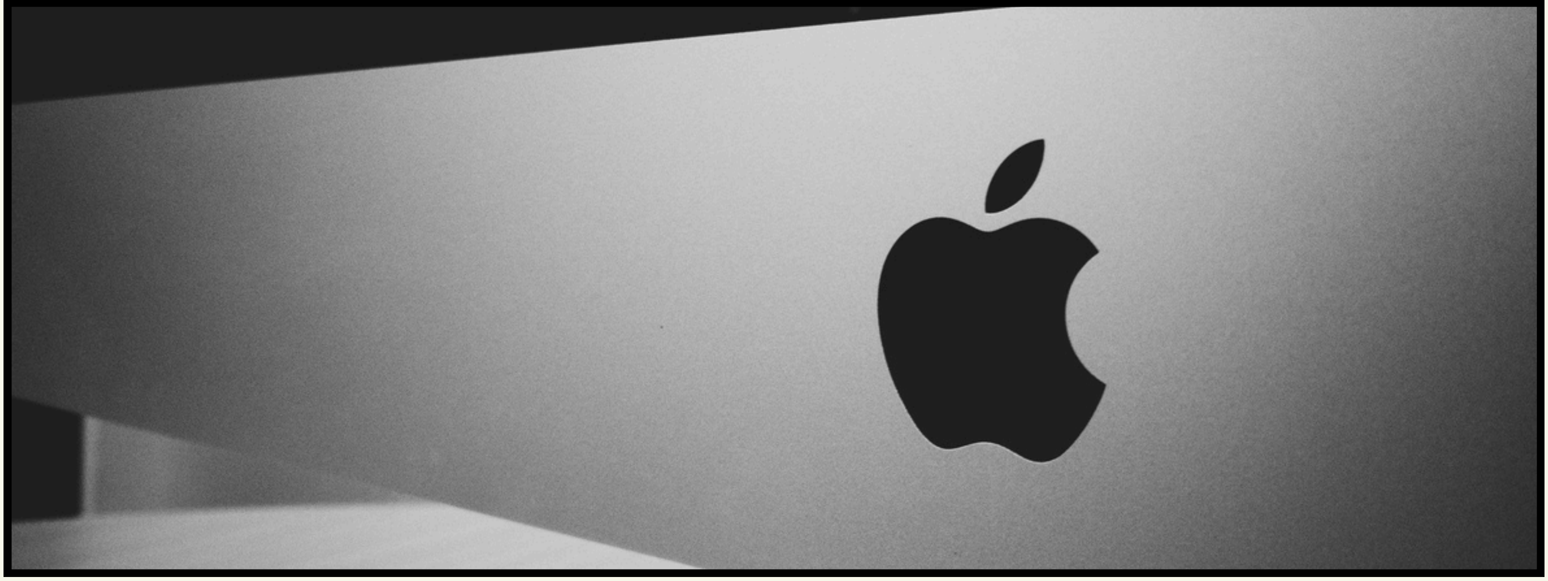
With Apple's earnings surpassing analysts' forecasts, major market indices saw gains throughout the day.

Apple experienced slower growth, with total sales revenue decreasing by over 4% compared to Q1 2023. Revenue growth was only evident in Europe, albeit at a rate slightly below 1%. In the Americas, revenue declined by slightly over 1%, while Asia posed a clear risk, with sales declining by 8% in Greater China, 13% in Japan, and 17% in the rest of the Asia-Pacific region.

The decline in iPhone sales, Apple's largest revenue source by a significant margin, exceeded 10% due to consumers holding onto their devices for longer periods and increased competition in China. Despite this slowdown, investors reacted optimistically to the news, as Apple outperformed analysts' expectations for the quarter. Moreover, as one of the largest revenue-generating companies, it's not uncommon for Apple to experience stagnant or slower growth. To offset this, Apple's robust profit margins enable the company to offer a cash dividend of 25 cents per share. Additionally, Apple's Board recently authorized the repurchase of $110 billion worth of its stock.

Major Stock Indices Performance Today...

S&P 500: 0.91%   Dow Jones: 0.85%   NASDAQ: 1.51%



SERENE FINANCIAL
SOLUTIONS

WEEKLY MARKET PULSE

FRIDAY

Friday's mostly weak jobs report prompted analysts and investors to factor in a higher likelihood of the Federal Reserve cutting interest rates this year. While this may be viewed positively from an investor's standpoint, as it suggests expectations of greater economic growth in the future, it also indicates a concerning weakening of the labor market. Throughout the year, weaker economic data is expected to continue driving gains in the stock market, unless the data deteriorates to a point where it instills fear of a major economic downturn. In such a scenario, the Federal Reserve would likely respond by cutting interest rates sooner to stimulate economic growth and mitigate potential setbacks.

Major Stock Indices Performance Today...

S&P 500: 1.26% Dow Jones: 1.18% NASDAQ: 1.99%

SERENE FINANCIAL SOLUTIONS

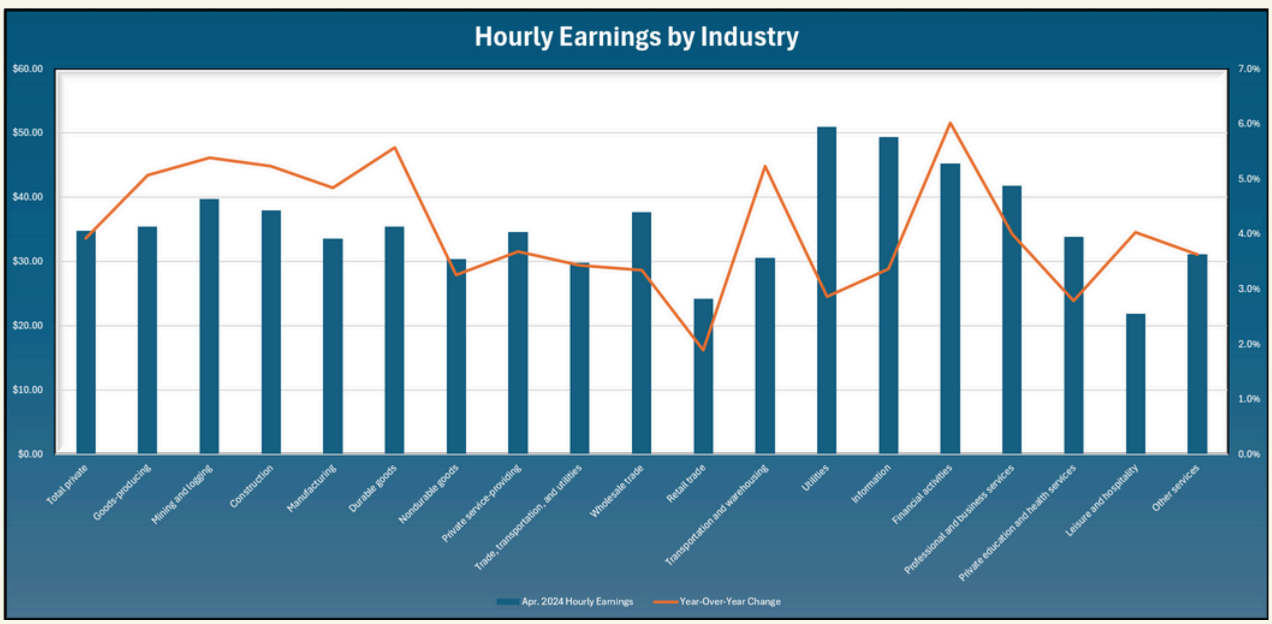
WEEKLY MARKET PULSE

April Employment Situation

In April, the United States added 175,000 jobs to the economy, falling short of the 240,000 jobs forecasted by analysts and economists. This represents a decline of over 37% compared to April 2023, highlighting a slowdown in labor demand. Notably, goods-producing jobs appear to be the most vulnerable, experiencing a decline of over 57%, while service-providing industries are relatively more protected, with job additions decreasing by around 23%. Industries witnessing the greatest increases in employment include health care, social assistance, transportation, and warehousing.

A deeper examination reveals that demand for American services is more sustained compared to goods. This is evidenced by the latest PCE inflation report, which showed service inflation at 4% and goods inflation at only 0.1%. With prices for services increasing at a faster rate than goods and employment growth stronger in services, it appears that demand in the services industry is outpacing the goods industry.

Over the past year, hourly wages in the private industry have increased from an average of $33.44 to $34.75, reflecting a 3.9% increase. Industries with the highest increases in income include financial services (6%), durable goods (5.6%), and mining and logging (5.4%). Conversely, retail trade (1.9%), private education and health services (2.8%), and utilities (2.9%) experienced slower growth in hourly earnings. Interestingly, three industries—manufacturing, durable goods, and retail trade—saw declines in hourly earnings compared to last month.



MAJOR STOCK INDEX PERFORMANCE

	S&P 500	Dow Jones Industrial Average	Nasdaq Composite
Percent Change (Monday)	0.32%	0.38%	0.35%
Percent Change (Tuesday)	-1.57%	-1.49%	-2.04%
Percent Change (Wednesday)	-0.34%	0.23%	-0.33%
Percent Change (Thursday)	0.91%	0.85%	1.51%
Percent Change (Friday)	1.26%	1.18%	1.99%
Weekly Change	0.55%	1.14%	1.43%

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	5.48	5.51	5.45	5.45	5.43	5.2	4.97	4.8	4.65	4.64	4.63	4.86	4.75
Tuesday	5.48	5.51	5.46	5.45	5.44	5.25	5.04	4.87	4.72	4.71	4.69	4.9	4.79
Wednesday	5.47	5.5	5.46	5.51	5.43	5.21	4.96	4.79	4.64	4.64	4.63	4.85	4.74
Thursday	5.51	5.47	5.46	5.5	5.42	5.16	4.87	4.71	4.57	4.57	4.58	4.82	4.72
Friday	5.51	5.48	5.45	5.5	5.41	5.12	4.81	4.63	4.48	4.49	4.5	4.75	4.66

LINKS TO ECONOMIC/FINANCIAL DATA FROM THIS WEEK

March Employment Cost Index

https://www.bls.gov/news.release/eci.toc.htm

March Job Openings and Labor Turnover

https://www.bls.gov/news.release/jolts.toc.htm

FOMC Meeting Summary and Analysis

https://www.youtube.com/watch?v=oOunztmcLvA

April Employment Situation

https://www.bls.gov/news.release/empsit.toc.htm

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