WEEKLY MARKET PULSE

MONDAY

Recent ups and downs in long-term U.S. Treasury security yields have left investors scratching their heads, while financial markets find themselves in a state of uncertainty. Earlier Monday, the one-year Treasury note soared to over 5%, marking its highest point since mid-2007, only to retreat later to 4.86%. While bonds are often seen as safe and dependable investments, a combination of the Federal Reserve's swift interest rate hikes, significant bond market sell-offs, and a general unease in financial and economic circles have led to unusually large fluctuations in bond yields.

With bond yields reaching such elevated levels, it's crucial to remember that the value of many older bonds has diminished. Bonds offering lower yields than what's currently available typically lose their attractiveness, as they generate less income for investors compared to present opportunities. Consequently, many current bondholders may consider divesting their existing bond holdings and possibly acquiring more up-to-date bonds. Before deciding whether to sell your bond investments or delve into newer options, it's essential to weigh the potential advantages and disadvantages of each choice. This pivotal decision requires a deep understanding of the ever-evolving financial landscape and a thoughtful evaluation of your investment goals.

Major Stock Indices Performance Today...

S&P 500: -0.17% Dow Jones: -0.58% NASDAQ: 0.27%

WEEKLY MARKET PULSE

TUESDAY

This Tuesday, investors turned their focus to the third-quarter earnings calls, where several major companies—Microsoft, Google (Alphabet), Visa, Coca-Cola, Verizon, General Motors, and General Electric—unveiled their earnings reports. The outcome was a strong overall performance in the stock market, with the Nasdaq, known for its tech-heavy composition, standing out, primarily due to the anticipation surrounding earnings reports from Microsoft and Google.

However, in a contrasting trend, oil prices have recently faced a downward trajectory, largely driven by the release of lackluster economic data in Europe. This development has brought to the forefront concerns about reduced demand for oil within the region.

Major Stock Indices Performance Today...

S&P 500: 0.73% Dow Jones: 0.62% NASDAQ: 0.93%

WEEKLY MARKET PULSE

WEDNESDAY

In spite of several earnings reports exceeding expectations released on Tuesday, a notable slowdown in Google Cloud's revenue triggered a nearly 10% plunge in Google's stock, which subsequently catalyzed a broader selloff in the tech market. When it comes to investment choices, it's essential to recognize that individual preferences and strategies vary. Nevertheless, it's worth noting that many investors who have faith in Google's long-term business model view the recent dip in Google's stock as an opportunity to invest. This doesn't imply any sort of recommendation to buy Google's stock, but it does serve as valuable information to consider if you’re deciding on gaining investing exposure to Google.

In addition to Google's somewhat lackluster Cloud growth, there were notable shifts in Treasury yields, bouncing back from previous declines, alongside an increase in U.S. home sales data. These factors have stirred concerns about the prospect of higher interest rates. However, as of now, the vast majority of analysts predict that the Federal Reserve will leave interest rates at their current level in their meeting next week.

Major Stock Indices Performance Today...

S&P 500: -1.43%   Dow Jones: -0.32%   NASDAQ: -2.43%

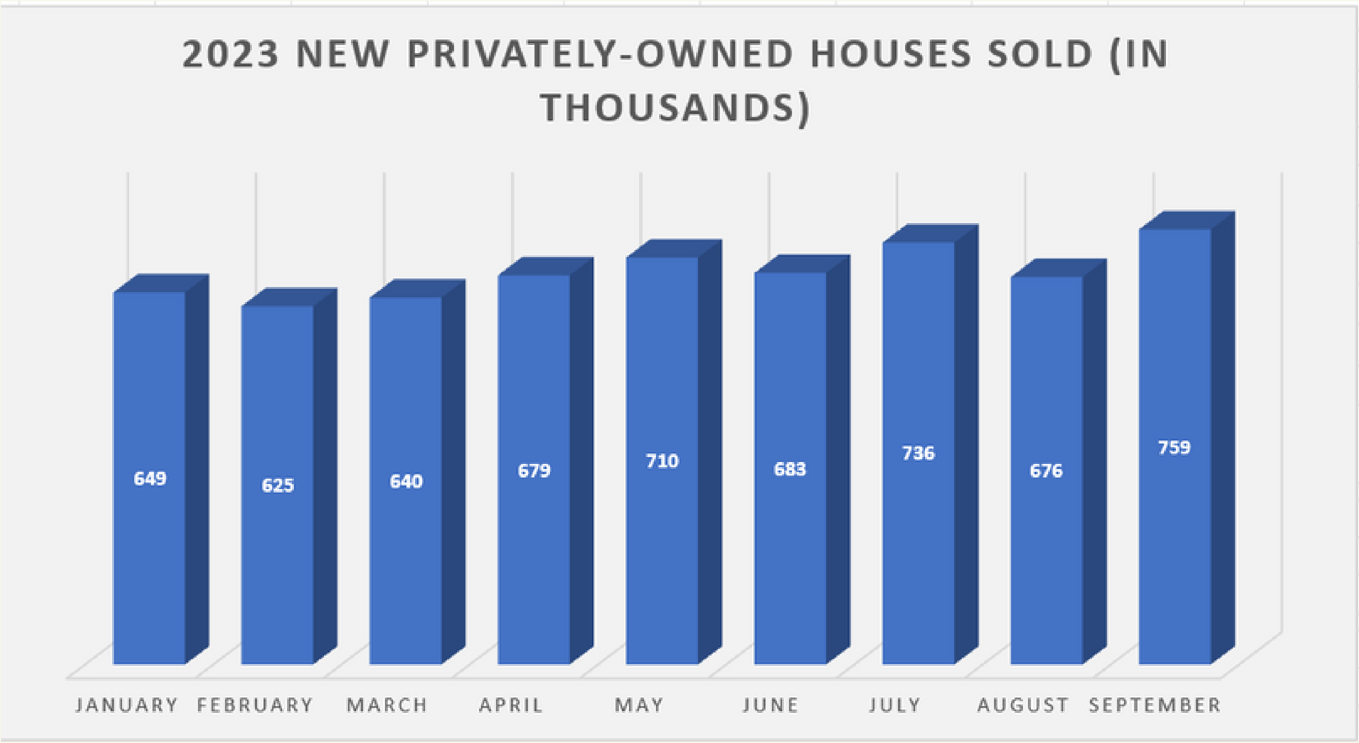
WEEKLY MARKET PULSE

September's New Residential Sales Report

In a housing market characterized by soaring interest rates that have deterred many prospective buyers and sellers, there was a remarkable upswing of over 12% in new single-family home sales this September. This surge represents the most substantial increase in home sales for the entire year, hinting at potential price pressures within the housing market.

Additionally, recent forces of supply and demand in the United States have pushed the average new home sales price to approximately $503,900. When you couple this price with a recommended down payment of roughly 20% and current 30-year fixed mortgage rates, which currently hover around 8%, the estimated monthly mortgage payment for a new home (excluding additional expenses such as property tax, insurance, HOA fees, and utilities) comes to approximately $2,960. Over the course of 30 years, this totals more than $1 million in mortgage costs.

Whether you are considering purchasing, selling, or investing in a new residential property in the near future, it's essential to bear in mind that residential real estate has become significantly more expensive compared to previous years.



SERENE FINANCIAL SOLUTIONS

WEEKLY MARKET PULSE

THURSDAY

Markets extended their decline following Wednesday's release of an unexpectedly robust GDP report, underscoring the vitality of the American economy. This impressive growth, driven by various factors like consumer and government spending, is causing concern among investors. They fear it might prompt the Federal Reserve to adopt a more aggressive stance in tightening its monetary policy. Should this scenario unfold, it could result in even higher interest rates and an extended period of elevated rates, rendering borrowing more costly.

In a situation where borrowing becomes more expensive, businesses are likely to curtail investments in new projects and innovations, consumers may tighten their overall spending, fewer jobs may be created, and more individuals could face layoffs. It's no surprise that investors, businesses, and workers are keen to avoid such a scenario, which explains the apprehension surrounding the possibility of stricter monetary policy.

Presently, the Federal Reserve's primary aim is to reduce inflation to 2%. However, when reports like the recent GDP data point to economic growth, it indicates a probable continuation of inflationary pressures.

With high interest rates affecting the American economy, it's imperative to take proactive steps in managing debt and interest payments. Allowing these financial obligations to accumulate can place you under significant financial strain. It can limit financial flexibility, erode creditworthiness, and hinder long-term financial goals. By prioritizing the reduction of debt and keeping interest payments in check, you can not only mitigate the immediate impact of high interest rates but also secure a more stable and prosperous financial future.

Major Stock Indices Performance Today...

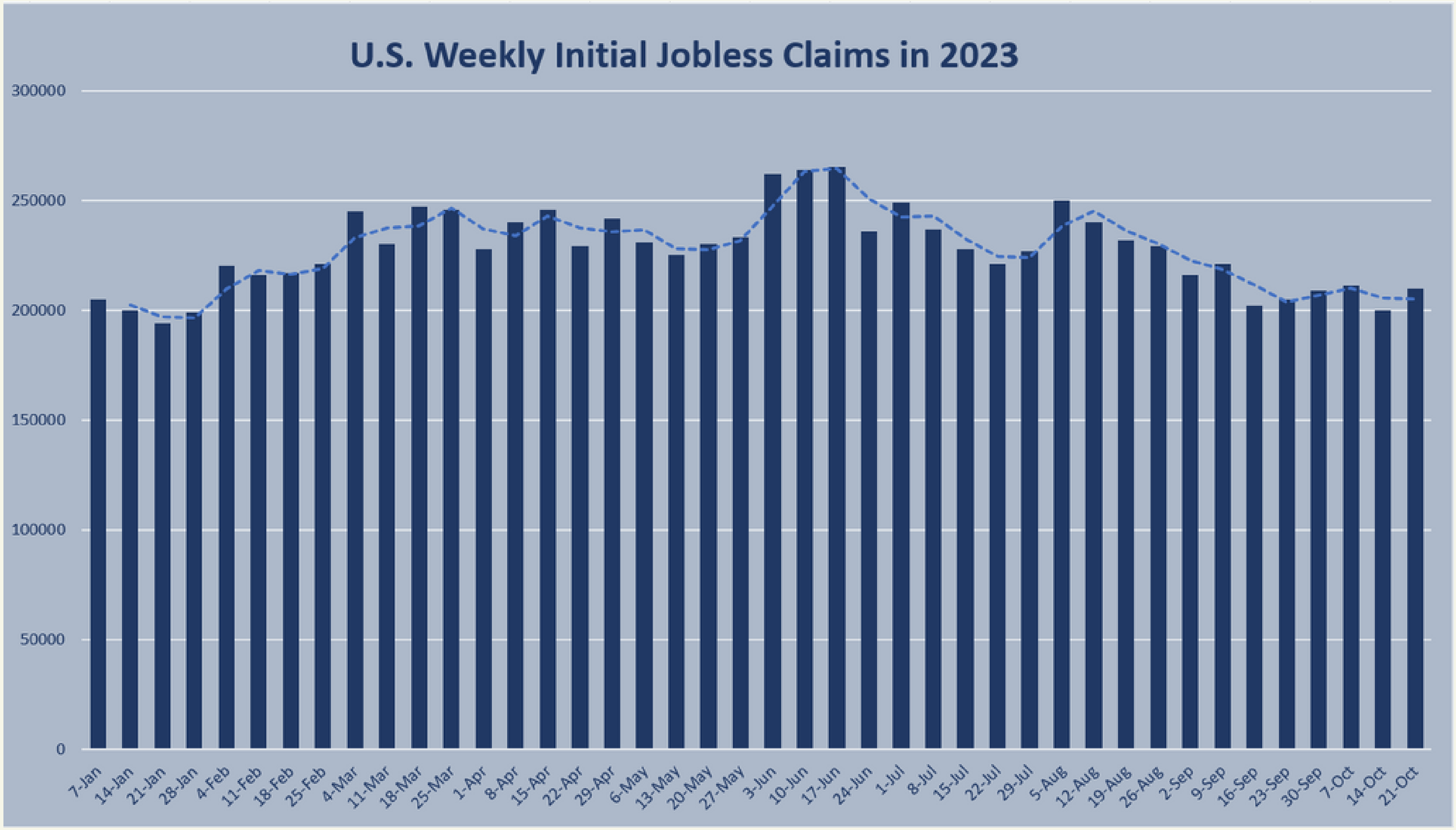
S&P 500: -1.18% Dow Jones: -0.76% NASDAQ: -1.76%

WEEKLY MARKET PULSE

U.S. Initial Jobless Claims (Week ending October 21)

The latest figures on initial jobless claims, which indicate the number of individuals applying for unemployment benefits, have been reported at 210,000. This marks an increase of 10,000 compared to the previous week's revised level of 200,000. For workers, this uptick may raise concerns, as it suggests a potential rise in layoffs when compared to the previous week.

However, it's important to contextualize these numbers. Despite the recent increase in jobless claims, they still stand considerably below the yearly average, which currently hovers around 228,000. This means that, while there has been a slight upturn in claims, the overall job market remains relatively stable and resilient, with fewer individuals seeking unemployment benefits compared to the annual average.



WEEKLY MARKET PULSE

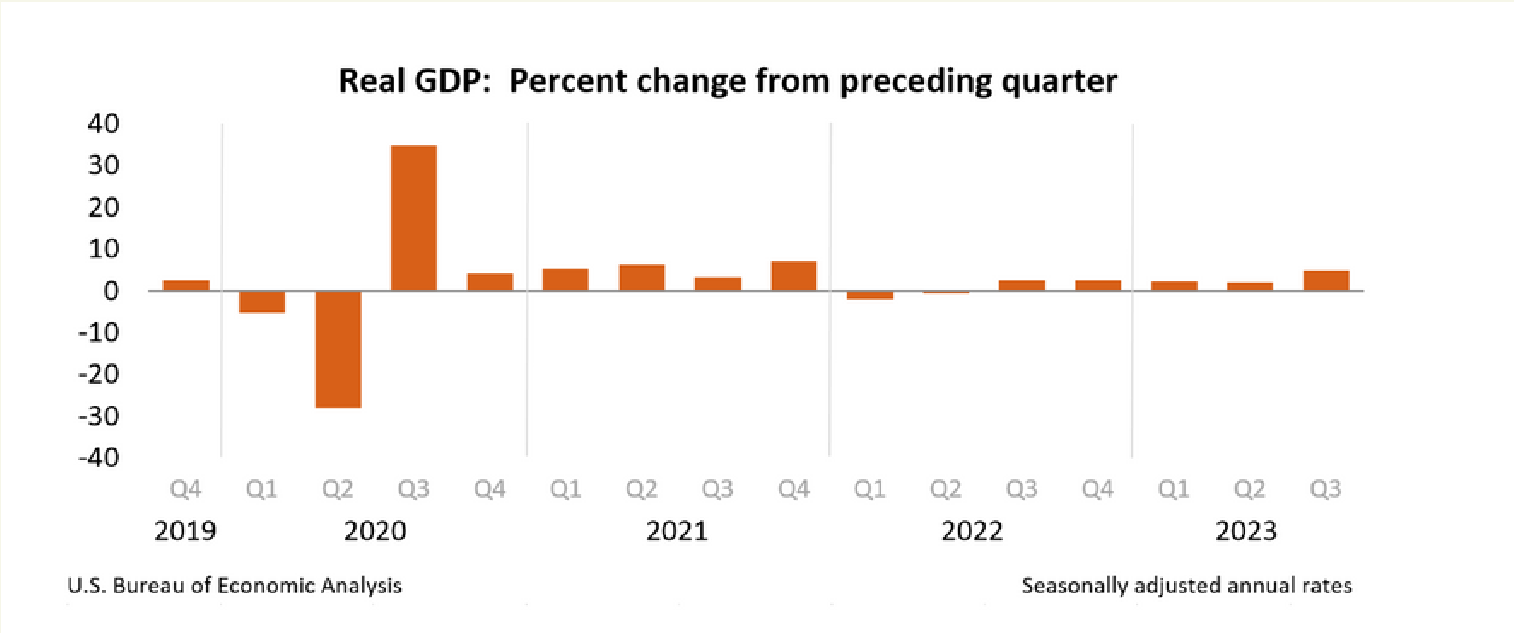
2023 Third Quarter Gross Domestic Product

Real Gross Domestic Product (GDP), the United States' primary measure of economic performance adjusted for inflation, has exhibited a robust annual growth rate of 4.9%. This reflects a continuing strong demand for goods and services within the U.S. economy. In the third quarter, key contributors to this GDP growth included consumer spending, investment spending, government spending, and exports.

Now, let's delve into your own experience. Have you found that you had more disposable income to work with in the past three months? It's a question worth pondering.

Regarding services, consumers spent more money mostly on essential services like housing, healthcare, financial services, insurance, and food services. While spending increased in these areas, it raises an important question: Are consumers spending more because they have the financial means and the desire to do so, or are they doing it out of necessity? Here's a noteworthy detail: inflation-adjusted disposable personal income (after-tax income) decreased by 1%, suggesting that the uptick in spending might not necessarily be due to an abundance of available funds.

If you have increased your spending lately, was it out of necessity or choice?



WEEKLY MARKET PULSE

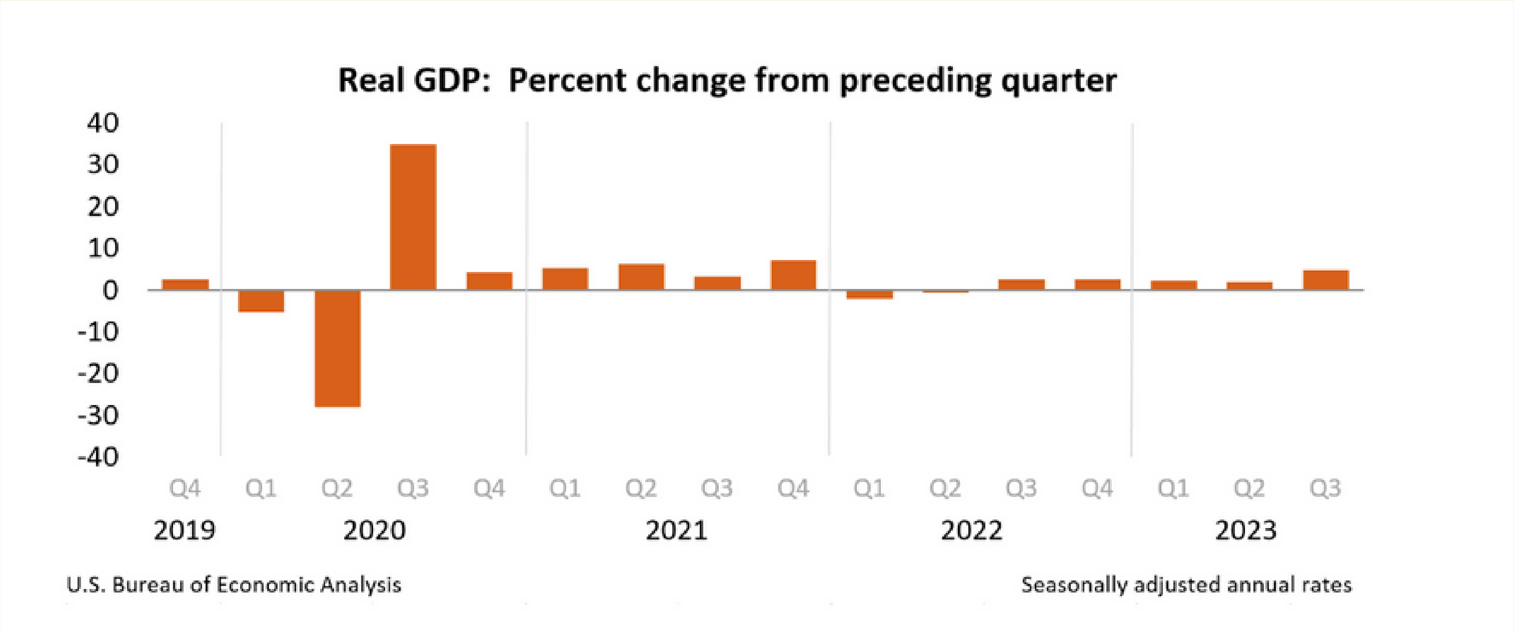
SERENE FINANCIAL SOLUTIONS

2023 Third Quarter Gross Domestic Product

When it comes to goods, consumers directed more of their resources towards nondurable goods like food, prescription drugs, and clothing, as well as recreational goods and vehicles. The discretionary nature of increased spending on nondurable goods can be somewhat ambiguous, while a heightened demand for recreational goods and vehicles may signify that consumers are more willing to indulge in discretionary spending in this category.

Nevertheless, it's essential to bear in mind that the vast majority of consumer expenditures typically goes toward services, rather than goods. If the bulk of the additional spending is allocated to essential services, it might not be as indicative of a rosy financial situation as it seems. Notably, personal savings have seen a significant decline in the past three months. In the second quarter of 2023, Americans had approximately $1.04 trillion in savings, which dwindled to $776.9 billion in the third quarter, marking an approximate 25% drop. This suggests that a substantial portion of the additional spending by American consumers may have come from their savings if their disposable income actually decreased in the third quarter.

What are your thoughts? Do you believe your financial situation has improved recently, or have you found yourself tapping into your savings more often than usual?



WEEKLY MARKET PULSE

SERENE FINANCIAL SOLUTIONS

FRIDAY

The stock market ended the day with a mixed response, triggered by the surprise strength of Amazon's earnings report and persistent PCE inflation data. With the the S&P 500 descending into correction territory, declining nearly 10% from recent highs, a palpable sense of fear lingers throughout the stock market. Many investors now grapple with the distressing sight of losses impacting their portfolios.

In today’s current volatile landscape, it’s likely that stocks will continue to see both highs and lows. For those investing long-term, it's important to recognize that market corrections are a historically normal occurrence, and the overall stock market typically rebounds from its losses over time, though it is not certain to happen.

Despite significant market downturns stemming from events like the COVID-19 pandemic and recent setbacks, the S&P 500, comprising the 500 largest publicly traded stocks, has surged by over 50% in the last five years. Before hastily making highly emotional investment decisions, it is essential to conduct your due diligence and research. Carefully evaluate whether buying, selling, or holding your investment positions aligns with your financial goals and risk tolerance.

Major Stock Indices Performance Today...

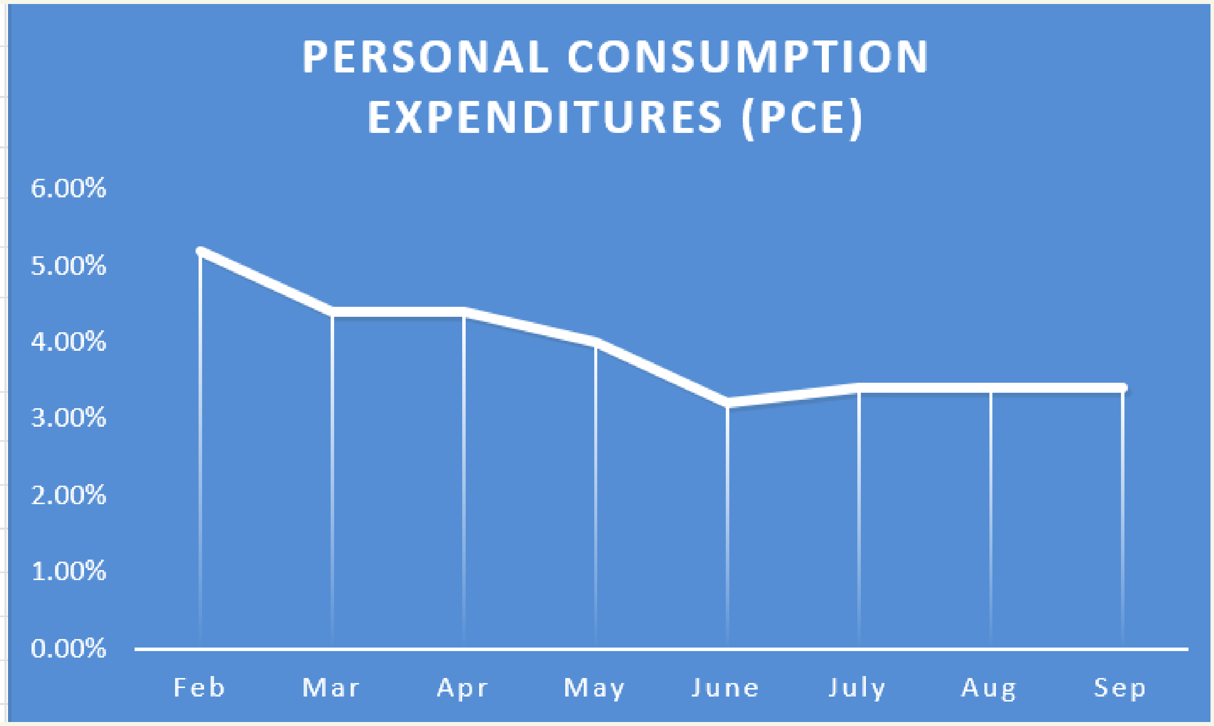
S&P 500: -0.48% Dow Jones: -1.12% NASDAQ: 0.38%

WEEKLY MARKET PULSE

September Personal Consumption Expenditures Index

PCE inflation, a measure of price fluctuations on various consumer goods and services, is closely monitored by the Federal Reserve when deliberating monetary policy actions. Persistent rates of inflation that are higher than the Fed's target rate of 2% typically lead to monetary policy that will slow economic growth, whereas inflation rates below 2% may lead the Fed to decide on monetary policy actions that accelerate economic growth. Due to continued economic growth and consumer spending, inflation has remained relatively high. For the third consecutive month, PCE inflation remains at 3.4% compared to a year ago, indicating that inflation is following a stubborn trend that may present challenges in bringing prices down further.

As new information on inflation emerges, it is crucial to stay informed about the factors driving higher prices. This knowledge can help you to make informed adjustments to your budget, optimizing your financial situation. Over the past month, certain spending categories have seen notable increases. Services, for instance, experienced a 0.5% rise, while energy-related expenses saw a significant 1.7% increase. It can be helpful to keep a watchful eye on price fluctuations within these expense categories to evaluate whether adapting your budget to accommodate higher spending in services or energy-related costs would be beneficial.



MAJOR STOCK INDEX PERFORMANCE

	S&P 500	Dow Jones Industrial Average	Nasdaq Composite
Percent Change (Monday)	-0.17%	-0.58%	0.27%
Percent Change (Tuesday)	0.73%	0.62%	0.93%
Percent Change (Wednesday)	-1.43%	-0.32%	-2.43%
Percent Change (Thursday)	-1.18%	-0.76%	-1.76%
Percent Change (Friday)	-0.48%	-1.12%	0.38%
Weekly Change	-2.53%	-2.14%	-2.62%

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	5.57	5.57	5.58	5.59	5.56	5.42	5.05	4.89	4.81	4.87	4.86	5.19	5.01
Tuesday	5.57	5.57	5.58	5.6	5.57	5.41	5.02	4.91	4.82	4.86	4.83	5.15	4.96
Wednesday	5.56	5.57	5.59	5.61	5.57	5.43	5.08	4.98	4.89	4.98	4.95	5.27	5.09
Thursday	5.57	5.57	5.59	5.6	5.55	5.39	5.02	4.89	4.79	4.86	4.86	5.19	5.01
Friday	5.57	5.57	5.59	5.6	5.55	5.39	4.99	4.84	4.76	4.83	4.84	5.19	5.03

LINKS TO ECONOMIC/FINANCIAL DATA FROM THIS WEEK

September's New Residential Sales

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

U.S. Initial Jobless Claims (Week ending October 21)

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

2023 Third Quarter Gross Domestic Product

https://www.bea.gov/news/2023/gross-domestic-product-third-quarter-2023-advance-estimate

September Personal Consumption Expenditures Index

https://www.bea.gov/news/2023/personal-income-and-outlays-september-2023

WEEKLY MARKET PULSE

DISCLAIMER

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

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