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Barron's "America's Top 1,200 Advisors: State-by-State" list*

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Weekly Market Commentary
September 30th, 2024

The Markets

The Standard & Poor's (S&P) 500 Index hit a new all-time high last week.

The S&P 500 has had quite a year. Despite a sharp downturn in August when investor confidence was ruffled by concerns about economic growth, the Index was up about 20 percent, year-to-date, at the end of last week. The gains were widespread with all sectors of the Index participating, according to data from Fidelity.

Last week, investor enthusiasm was bubbling up. There were a lot of reasons for their optimism. First, investors were encouraged by the Federal Reserve's rate reduction earlier this month and expectations that the Fed will continue to reduce the federal funds rate further to support economic growth. Jacob Sonenshine of *Barron's* explained the advantages conferred by the Fed's actions:

"Lower rates would only boost consumer spending on housing and other goods and services—a demand picture that will spur investment from companies, helping the industrial economy specifically. This all means companies' profit growth could easily extend from next year into 2026. Analysts expect S&P 500 companies, in aggregate, to generate annual sales growth just above 5 [percent] over the coming two years, according to FactSet."

Second, a round of positive economic news helped investors set aside any lingering concerns about economic growth. Brian Evans and Lisa Kailai Han of CNBC reported:

"A slate of fresh data supported a solid economy, easing fears that perhaps the Federal Reserve is cutting rates aggressively because of a potential slowdown. Weekly jobless claims fell more than expected, pointing to a steady labor market. Durable goods orders for August were unchanged versus economists' expectations for a decline. Further, the final reading of second-quarter Gross Domestic Product (GDP) was unrevised at a strong 3 [percent]."

In addition, inflation continued to trend lower in August. The Fed's favored inflation gauge, the personal consumption expenditures index, indicated prices rose 0.1 percent. Megan Leonhardt of *Barron's* reported:

"The August pace [of inflation] was also lower than consensus calls…The latest data show that the annualized three-month core Personal Consumption Expenditures (PCE) is currently running below the Fed's 2 [percent] inflation target. It should help erase any doubts that the

Federal Open Market Committee made the right call when it slashed benchmark interest rates by a half percentage point earlier this month."

Last week, the S&P hit a new all-time high, as well as a record close. The Dow Jones Industrial Average and Nasdaq Composite Index also rose last week. After rising earlier in the week, yields on many maturities of U.S. Treasuries moved lower on Friday after inflation news shored up expectations for further Fed rate cuts.

Data as of 9/27/24	1-Week	YTD	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	0.6%	20.3%	34.2%	8.9%	14.1%	11.3%
Dow Jones Global ex-U.S. Index	4.1	12.8	23.7	0.6	5.2	2.9
10-year Treasury Note (yield only)	3.8	N/A	4.6	1.5	1.7	2.5
Gold (per ounce)	2.2	28.1	41.0	14.9	12.3	8.1
Bloomberg Commodity Index	2.1	1.6	-5.2	-0.2	5.2	-1.8

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.
Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.
Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

THERE'S A NEW TWIST TO HOME BUYING AND SELLING. Mortgage rates have been moving lower. Last week, the average 30-year fixed rate mortgage dropped to the lowest level in two years, reported Claire Boston of Yahoo! Finance. This was welcome news to anyone hoping to buy a home.

Climate conscious buyers are also likely to be enthusiastic about a new feature being rolled out by an online real estate marketplace. The digital listing service is partnering with a climate risk financial modeling group to provide additional climate risk information to buyers.

"When viewing a for-sale property…home shoppers will see a new climate risk section. This section includes a separate module for each risk category—flood, wildfire, wind, heat and air quality—giving detailed, property-specific data…This section not only shows how these risks might affect the home now and in the future, but also provides crucial information on wind, fire and flood insurance requirements," reported the listing service.

About 80 percent of home buyers consider at least one climate risk when shopping for a house, according to a recent survey. Home buyers in the Western and Northeastern United States are more likely to be aware of and concerned about the impact of climate risks, while about a third of Midwestern and Southern home shoppers say climate factors are not a significant concern as they search for real estate.

The wisdom of considering climate risks when making major financial purchases has been evident in recent weeks as Hurricane Helene left a trail of destruction across Florida and the southeastern United States, Hurricane Francine tore into Louisiana, and flooding and wildfires have plagued regions of the United States.

It's also critical to consider whether a property is insurable and how much the insurance will cost. The climate risk financial modeling group found that "about 35.6 million properties—a quarter of all U.S. real estate—are facing higher insurance costs and lower coverage because of climate risks," reported Li Cohen, Tracy J. Wholf, and Marina Jurica of CBS News.

Weekly Focus – Think About It

"Risk comes from not knowing what you're doing."

—Warren Buffett, The Oracle of Omaha

Best regards,

Michael D. Allard

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Michael Allard is a Registered Principal with, and securities and advisory services are offered through LPL Financial, member FINRA/SIPC.

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* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
* Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.

* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
* The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
* Past performance does not guarantee future results. Investing involves risk, including loss of principal.
* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.
* There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.
* Asset allocation does not ensure a profit or protect against a loss.
* Consult your financial professional before making any investment decision.

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