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

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Weekly Market Commentary **September 3rd, 2024**

The Markets

After gyrating wildly throughout the month, major U.S. stock indexes finished August higher.

Despite a lot of uncertainty and some dramatic ups and downs, the Standard & Poor's (S&P) 500 Index rose 2.3 percent in August, while the Dow Jones Industrial Average gained 1.8 percent to close at a record high. It was the fourth consecutive month of gains for both indexes, reported Connor Smith of *Barron's*.

The month's most remarkable comeback belonged to the Nasdaq Composite Index which eked out a 0.6 percent gain for the month. "That's a shocking turnaround, given the Nasdaq entered correction territory early in the month..." reported Smith. (A correction is a decline of at least 10 percent.)

As sentiment calmed, the CBOE Volatility Index (VIX), which gauges how volatile investors expect the market to be over the next 30 days, moved lower. "Wall Street's 'fear gauge'—the VIX—dropped to 15. That's after an unprecedented spike that took the index above 65 during the Aug. 5 market selloff," reported Rita Nazareth of *Bloomberg*.

Why did investors regain their confidence?

There was some good economic news last week that proved to be just what markets were hoping to see. The data were strong enough to allay fears the economy might weaken too fast, but not so strong they might cause the U.S. Federal Reserve (Fed) to change its mind about lowering the federal funds rate in September. Here's what happened:

- **The economy remains steady.** Investors have been worried U.S. economic growth might be slowing more quickly than previously thought. Those concerns were soothed when the Bureau of Economic Analysis revised its estimate for gross domestic product (GDP)—which is the value of all goods and services produced in the U.S.—from April through June. "The U.S. economy grew faster than initially thought in the second quarter amid strong consumer spending, while corporate profits rebounded, which should help to sustain the expansion," reported Lucia Mutikani of *Reuters*.
- **Inflation continues to soften.** On Friday, one of the Fed's favored inflation gauges—the personal consumption expenditures (PCE) price index—showed headline inflation was 2.5 percent year over year. Core inflation, which excludes volatile food and energy prices, was up 2.6 percent year over year. "The soft price growth continues a recent

stretch of cooler inflation readings and falls in line with what Fed officials were hoping to see before easing their restrictive monetary-policy stance,” reported Megan Leonhardt of *Barron’s*.

Last week, major U.S. stock indices moved higher. Yields for U.S Treasuries with shorter maturities moved lower over the week, while yields for longer maturities moved higher.

Data as of 8/30/24	1-Week	YTD	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	0.2%	18.4%	25.1%	7.6%	14.1%	10.9%
Dow Jones Global ex-U.S. Index	0.4	8.8	14.3	-0.8	5.0	2.1
10-year Treasury Note (yield only)	3.9	N/A	4.1	1.3	1.5	2.4
Gold (per ounce)	0.1	20.9	29.4	11.5	10.5	6.9
Bloomberg Commodity Index	-0.4	-2.6	-9.5	0.0	4.5	-2.6

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.

WE JUST WANT TO HAVE FUN! When you live a busy and sometimes stressful life, play can be important for your health. Adam Piore of *Newsweek* reported, “A weighty and growing body of evidence—spanning evolutionary biology, neuroscience and developmental psychology—has in recent years confirmed the centrality of play to human life. Not only is it a crucial part of childhood development and learning but it is also a means for young and old alike to connect with others and a potent way of supercharging creativity and engagement.”

The idea dovetails with a cultural trend known as “kidulting.” *The Economist* reported on the rise of kidulting, “...where adults engage in lighthearted activities traditionally designed for children...a giant ball pit for adults in three British cities, welcomes 25,000 visitors each month. Even museums and immersive exhibitions typically aimed at actual children now host adult-only evenings...Enthusiasts say that such spaces heighten creativity, human connection and joy, triggering the pleasure-seeking chemical [dopamine].”

New museums have popped up to help adults unleash their inner child. For example, the Museum of Ice Cream offers a fun-dae out for adults (children are welcome, too). They can frolic in pools of artificial ice cream sprinkles, engage with themed playscapes, and eat ice cream.

The WNDR Museum offers a completely different kind of fun. It engages visitors through interactive experiences with installations like The Wisdom Project that asks visitors to answer the question, “What do you know for sure?” and requests that they consider what information is important enough to put out into the world. Museum visitors also can use imagination to create AI-generated artwork or visit the Quantum Mirror, “an infinity room with over 150 mirrors that touches on our interaction with technology. Our obsession with screens, the way that our self-perception has changed as social media has become more popular in our society.”

The National Institute for Play cautions that, while play is important for adults, what one person embraces as play may be an annoyance to another. Instead of interactive museums, your jam may be a fantasy football league, a book club or a hike in the woods. What do you do just for the fun of it?

Weekly Focus – Think About It

“It’s very important that we re-learn the art of resting and relaxing. Not only does it help prevent the onset of many illnesses that develop through chronic tension and worrying; it allows us to clear our minds, focus, and find creative solutions to problems.”

–*Thich Nhat Hanh, Buddhist monk and author*

Best regards,

Michael D. Allard

LPL Registered Principal
CA Insurance Lic. #0792088
CALBAY INVESTMENTS, INC.
500 La Gonda Way, Suite 280
Danville, CA 94526



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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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