TWO MINUTE DRILL

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LakePointe Advisors LLC

OCTOBER 2023

Index	9/29/2023	Change	% Change	% YTD
Dow Jones Industrial Average	33,507.50	-158.84	-0.47%	1.09%
S&P 500	4,288.05	-11.65	-0.27%	11.68%
NASDAQ Composite	13,219.32	18.05	0.14%	26.30%
Russell 2000	1,785.10	-9.21	-0.51%	1.35%
MSCI EAFE	2,031.26	6.89	0.34%	4.49%
MSCI Emerging Market	952.78	8.71	0.92%	-0.38%

Source: FactSet. All performance percentages are simple appreciation, which excludes the effect of dividends. Bloomberg U.S. Aggregate displays as actual YTD%, as opposed to 12-month. year-over-year performance

TOP NEWS

Markets:

- September lived up to it's reputation as historically bad for the stock market as most indexes and sectors were in the red for the month. Energy and communication services were the only sectors with gains in the Q3.

Government:

- Congress once again kicked the debt and spending can down the road for another 45 days averting a government shutdown with a last minute funding bill.

Economy:

- The Fed left interest rates unchanged in September as inflation continued to moderate. However, interest rates remain elevated as uncertainty remains regarding the near-term economic outlook.

FEATURED TIPS

What do bonds know that stocks don't?

Until September, 2023 has been a great year for the stock market. All the major market indexes are positive for the year, some are up double-digits. The job market is strong, and inflation is coming down, at least that's what the monthly reports are saying. My family grocery bill would disagree though. So, I guess we can all sit back, relax, and enjoy the ride of another economic boom and multi-year bull market.

But wait a minute, there's one teeny, tiny issue. The bond market doesn't seem to agree. Bond yields (interest rates) are at multi-year highs with shorter-term interest rates higher than longer-term interest rates. What the heck is going on?

So, what's going on this year? The yield curve has been inverted since July 2022 indicating expected weakness and possible recession, yet the market overall is up, and some parts are up double-digits. Who will win this economic tug-of-war?

Read my latest article at https://www.lakepointeadvisors.com/what-do-bonds-know-that-stocks-dont to learn more.

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Investors cannot invest directly in indexes. The performance of any index is not indicative of the performance of any investment and does not take into account the effects of inflation and the fees and expenses associated with investing.

The Russell 2000 is a stock market index measuring the performance of 2000 small capitalization stocks. It represents the 2000 smallest companies in the Russell 3000 Index, which in turn represents the 3000 largest companies in the U.S. Thus, the Russell 2000 is a barometer of small-cap stocks. Though small, the companies represented by the Russell 2000 are not the smallest of the small as they are not penny stocks. The Russell 2000 is weighted by the market capitalization of the stocks.

The MSCI EAFE Index is designed to measure the equity market performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The MSCI Emerging Markets Index is designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index.

Before deciding whether to retain assets in a 401(k) or roll over to an IRA, an investor should consider various factors including, but not limited to, investment options, fees and expenses, services, withdrawal penalties, protection from creditors and legal judgments, required minimum distributions and possession of employer stock. Please view the Investor Alerts section of the FINRA website for additional information.

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