

December Market Update



Market Commentary



The Independent Advisors Podcast



Special Holiday Hours



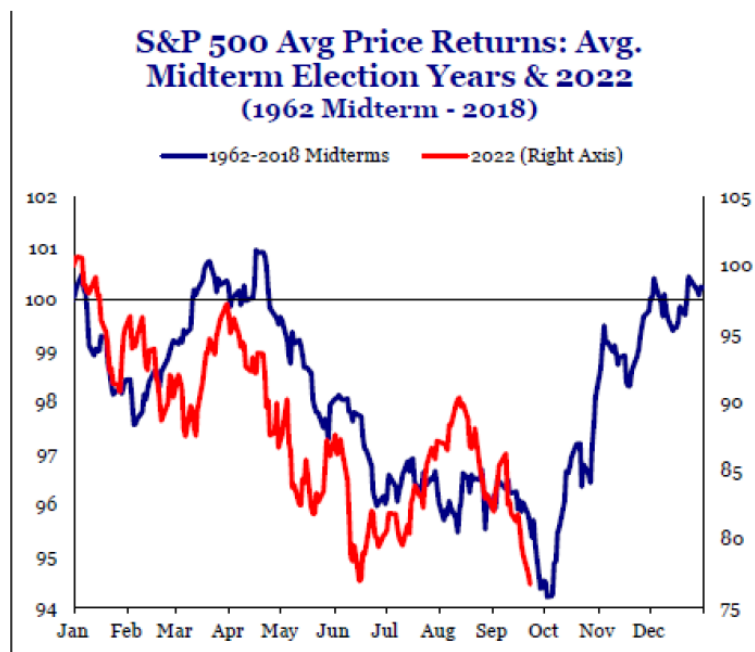
Market Update

Stock indices were overwhelmingly positive during the month of November. Below are the November returns for popular benchmarks that investors track (Data provided by Y-Charts & Commonwealth Financial Network):

- S&P 500 Index: **+5.4%**
- Dow Jones Industrial Average: **+5.7%**
- Nasdaq Composite Index: **+4.4%**
- Russell 2000 Index: **+2.2%**
- S&P Target Risk Moderate Index: **+5.8%**

November was an action-packed month for the markets with the midterm elections and important economic data releases. The midterm elections did not play out as most had originally thought.

The Republicans took back the House of Representatives as expected but did not fare as well with the key senate races as forecasted. Democrats will have control of the Senate, even with the Georgia runoff election looming. Even if Herschel Walker wins the senate seat in Georgia, Vice President Kamala Harris will have the tie-breaking vote as she presides over the Senate. Earlier this year, we communicated that regardless of the outcome of the elections, we believed there were better times ahead for the market. Our thesis has not changed now that we are past the midterms.



Past performance is no guarantee of future results. It is not possible to invest directly in an index. All market indices are unmanaged. Index performance is not meant to represent that of any Fidelity mutual fund.

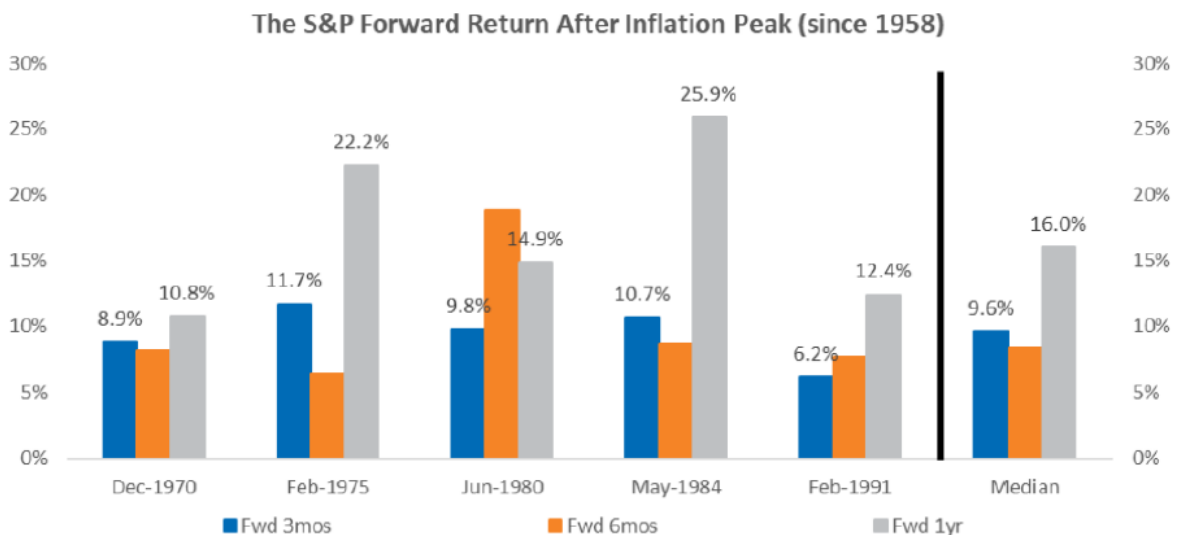
Source: Strategas, as of 09/30/22
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We received a welcomed CPI (Consumer Price Index) report on November 10th. The key numbers from the report are listed below:

- **CPI**
 - Year-over-Year: +7.7% vs. +8% estimate
 - Month-over-Month: +0.44% vs. +0.6% estimate
- **Core CPI**
 - Year-over-Year: +6.3% vs. +6.6% estimate
 - Month-over-Month: +0.27% vs. +0.5% estimate

The market reacted positively to this report, and the S&P 500 finished November 10th, up by approximately +5.53% (Source: Stockcharts.com). Some people may be confused as to why the market screamed higher with such a big inflation number at +7.7%. The key here is that it came in below participant estimates of 8%. Is this the turning point for inflation? Only time will tell. What we do know is that forward returns in the market are usually positive after inflation peaks.



Source: Bloomberg, 22V Research

It has been a long, painful year for investors heading into the final month of 2022.

Rampant inflation and declining equity and bond prices have made it an extremely challenging year for most. However, just because this year has been negative does not mean that 2022 will be repeated in 2023 or 2024.

We believe we are at the tail end of a "cyclical" bear market within a longer-term "Secular" bull market. A cyclical bear market is relatively short in length. A secular bear market can span many years and even a decade. The S&P 500 gained slightly over 150% in the 22 months prior to the peak in January of 2022. This type of growth is unsustainable, and the market needed to correct at some point.

Prior to the bear market we are in, sentiment was sitting at historically high levels, meaning that the overwhelming majority of investors were extremely bullish and optimistic. Typically, when we reach these extremes, something has to give, and it's usually the market. We flipped from extreme optimism to extreme pessimism throughout the year, which bodes well for future stock returns.

Our market outlook has not changed. We are extremely optimistic looking out over the next several years. We do not feel this is the time to make drastic portfolio changes based on short-term market developments.

As always, don't hesitate to get in touch with our team with any questions you may have.

Regards,

Mark McEvily

Chief Investment Officer

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EST. 2019

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We are taking listener questions! Email, inquiries@jessupwealthmanagement.com, for anything you want us to explain, debate or highlight in our weekly podcasts!



Special Holiday Hours

- Our office will be closing early on Friday, Dec 9th. We will be in the office from 9:00 am to 12:00 pm. From 12:00 pm to 4:00 pm, you can reach us remotely via our office phone.
- Our office will be closed Friday, December 23rd, and Monday, December 26th, for the Christmas holiday.



Our growth allows us to advise more clients!

We have added amazing new hires to the team and are even increasing our physical office footprint! This growth equips JWM with all the tools to allow us to advise more clients, while maintaining the premium quality of service we pride ourselves on! We would greatly appreciate your client referrals. Let us care for those you care about!

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