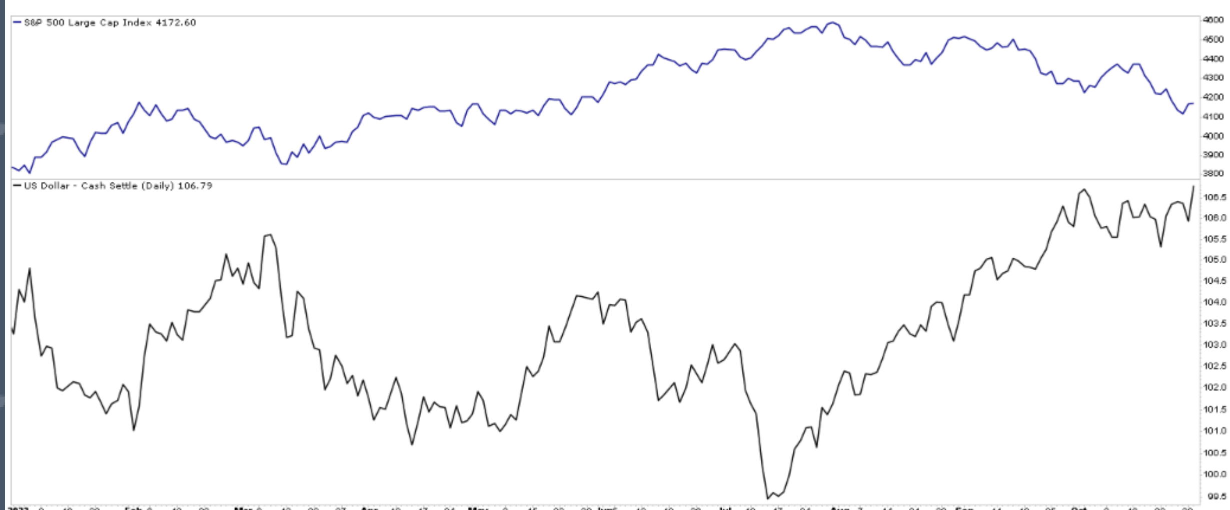

# Market Update

October saw a continuation of the market's decline, with stocks closing lower for the third consecutive month (S&P 500). August of 2011 was the last time the S&P 500 closed lower for four consecutive months. So, if stocks are negative in November, it would be a rare occurrence. Below are the October returns for the popular benchmarks that investors track (Data provided by Y-Charts & Commonwealth Financial Network):

- S&P 500 Index: -2.8%
- Dow Jones Industrial Average: -1.7%
- Nasdaq Composite Index: -3.3%
- Russell 2000 Index: -7.7%
- S&P Target Moderate Risk Index: -1.96%

Volatility has risen over the past month, amplifying the market weakness. Earlier this year, we highlighted a chart of the US Dollar and noted that it would be extremely difficult for stocks to continue higher in the short term if the US Dollar was in an uptrend.

Below is a chart of the dollar (black line). As you can see, the dollar started moving higher right as stocks (blue line) topped in late July. In our opinion, the dollar holds the key to the direction stocks will go between now and the end of the year. Ideally, we want to see the dollar breakdown and start to head lower in order to get a significant move higher in stocks.




The positive takeaway from October was that Q3 Gross Domestic Product (GDP) grew at a rate not seen since 2021 and beat analyst estimates. This tells us that the economy is still stronger than most people think, and the average American consumer is relatively healthy.

We continue to see disinflation across the board in items such as food, rent, and energy compared to one year ago. We believe the Federal Reserve is done (or close to being done) with interest rate hikes, which should be a tailwind for risk-on assets such as stocks. This may be the catalyst to send stocks back into a sustained uptrend rather than the sideways chop we have seen for some time.

Lower inflation --> lower interest rates --> more consumer spending --> higher margins for publicly traded stocks is the recipe we are looking for, which should be welcomed by investors worldwide.

By focusing on the long term, we can eliminate the day-to-day and week-to-week noise. As long as volatility remains elevated, there could be some more short-term weakness before things get better.

As always, don't hesitate to reach out to our team with any questions you may have.

Regards,
Mark McEvily

Chief Investment Officer

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## Special Holiday Hours

- Our office will be closing early on Wednesday, November 22nd. 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 Thursday the 23rd and Friday the 24th, in observance of Thanksgiving and Black Friday.

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## 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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