

## Quarterly Newsletter

### 2023 Callahan Financial Golf Outing →

Our Annual Golf Outing will be held on **Monday, August 7<sup>th</sup> at NCR Country Club**. Please RSVP w/ Sara Gallagher, *Marketing Director* via email @ [sara.gallagher@wfafinet.com](mailto:sara.gallagher@wfafinet.com).

### Market Commentary

Since mid-March, stocks and bonds have rallied nicely, instilling some optimism among investors and the market. Yet, as we look ahead to the second half of 2023, we see two primary risks to the market; **inflation and interest rates**. Recently, there has been a slight easing of inflationary pressures, but inflation is still hovering around 5%, which is historically high. As the Federal Reserve continues to monitor inflation data, they aim to ease up on rate hikes. But inflation has to come down further and economic data has to be favorable in order for them to do so. The Fed did however signal a “pause” in rate changes last week, which was received favorably by the stock market. As we move into the second half of the year, we believe it is likely that the Fed will further increase rates at some point. If so, there may be unfavorable market movements ahead.

We firmly believe that the recent market “rally” is not one to be chased aggressively. It is our perspective that a return to confidence in economic recovery and growth may not materialize until the beginning or middle of 2024. For the time being our viewpoint remains in staying disciplined and focusing on U.S. stocks and U.S. bonds. As our forecast calls for volatility in the equity markets, we do believe that in the shorter term, bond prices could continue their recovery from a difficult 2023. The bond market may find reason to be optimistic as investors look to lower risk in their portfolios while finding reasonable rates of cash flow. If we start to see higher demand in the fixed income space, investors may also see improved total returns on the bond side of their portfolio.

Overall, we are focused on staying the course as we expect uncertainty in the second half of the year.

### Protecting Your Financial Well-Being

In past newsletters we’ve discussed prioritizing your digital security by taking steps to protect passwords, etc. Along with password protection, we believe organizing your financial records can help safeguard your financial well-being. Proper organization of financial records can provide a clear overview of your income, expenses, investments and debts, enabling you to make informed decisions and effectively help in managing your finances. Attached is an informative piece from MFS Investment Management that you may find useful.

*We thank you for your continued business and trust.*



Corey Callahan, CFP®  
Financial Advisor

### The Callahan Financial Management Group, LLC

David J. Callahan - *Principal, Managing Director and Financial Advisor*

Corey J. Callahan - *CFP® and Financial Advisor*

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