



KINSEY
WEALTH MANAGEMENT
OF SC3F WEALTH MANAGEMENT GROUP

The Kinsey Report

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The markets have been celebrating in “Santa Clause” rally fashion, but in our opinion, we still have some uncertain times ahead..

THE MARKET

The S&P 500 finished 2021 at 4766.18* and 2022 at 3839.50*, down 19.44% for the year. As of this writing, the S&P 500 stands at 4768.37*, up approximately 24.19%* so far in 2023. As the market has grown even with the 2021 close, we expect continued volatility and periods of over-valuation. That being said, having the markets continue to fight their way higher is encouraging.

It appears to us that the market may be acting as if rate cuts early in 2024 are likely. We are not as certain this will be the case. In our opinion, rates staying steady for a while might just be the best scenario.

*Source: Standard & Poor’s Financial Services Company rate of return does not include reinvested dividends
**Source: Fitch ratings—London—August 1, 2023.

THE ECONOMY

According to the U.S. Labor Department in a statement released December 12, 2023, the Consumer Price Index (CPI) rose 3.1%, in November from the same month a year ago. The highest year over year rate, in this cycle, was 9.1% in June. The report shows food prices up 2.9% over the past year. That is about 1/2 the rate it was this past summer. The cost of shelter was up 6.5% in the same period. It too has improved in recent months, but not as much as the food prices.

The “core” CPI, which does not include food and energy, is up 4.0% vs. a year ago, according to the Labor Department. This rate of inflation, although much better than the 9.1% peak, is still much higher than we have grown accustomed to over the past 10 years. That being said, we continue to expect inflation will likely be with us for a few more years. We hope we’re wrong.

AT THE FED

The Federal Open Market Committee (FOMC) released a statement December 13th, holding the Fed Funds target rate at 5.25%-5.50%. This rate has been held steady since their last increase July 26th. Additionally, they maintain the goal of achieving an inflation rate of 2% over the longer term. For those reasons, we expect the Fed to hold the rate at this level for a while, as the inflation challenges are correcting quite slowly. Inflation is in essence, too much money chasing too few goods. This situation is improving, but we feel many areas of the economy are still somewhat overheated. The FED has an enormous challenge to manage inflation while maintaining a ‘soft landing’ with the economy. We feel a recession is still likely next year, and has been occurring in certain sectors of the economy this year. In our opinion, it will likely not be a very deep or long recession. But we remain smart enough to know, that we are not smart enough to know. Stay tuned!



INVESTMENT COMMENTS

So here we sit, enjoying a “Santa Clause Rally” bringing the stock market quite close to the 2021 closing values. In our opinion, we are possibly a bit over-valued, and may be underestimating some of the challenges we face next year. We also have an ability to earn higher interest than we have in more than a decade. All in all, we feel it is not a bad place to be for investors.

In any event, we remain true believers in properly allocated portfolios as a way to help manage investment risk. Objectives change, families change, careers change, etc. As things change, we urge you to pause for a moment and assess your financial plan as well.

As always, please call us at 309-683-8951 if you have any questions.

Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns.

The Story in the Name

by Keith Kinsey

Karen and I married in 1979 and moved to Lake Wildwood in 1985. In the spring of 1987, we bought a new boat to enjoy on the lake. We were 16 when I named my first boat “Kay Lee” after Karen (who’s middle name is Lee), but I kept upgrading little by little and so this new boat was named “Kay Lee V”.

To get the name on the transom, I stumbled on “The Signery” in Peoria, a franchise sign shop opened by Irv Hodel the year before. He was amazing to work with and full of ideas. His son Steve joined him and eventually bought the business on September 1st of 2009. At that time, he changed the name to “Zendavor Signs and Graphics” and ventured into manufacturing outdoor signs as well. Over the years, they completed more projects for me than you would imagine. Most recently, the signage at our new office. (pictured below).

A couple of years ago I asked Steve where the name “Zendavor” came from. I found his explanation endearing. After Steve began working with his dad, his Grandfather (Irv’s father-in-law) would often come by the shop. Many times the discussion would end with them firming up plans for dinner, or some other family activity. Steve’s Grandpa, would say something like: “Then we’ll rendezvous tomorrow at 1:00.” As he aged, the pronunciation evolved to: “Then we’ll zendavor tomorrow at 1:00.” And so, the business name Steve chose was “Zendavor.” What a fantastic way to honor your Grandfather!



Thanks for sharing the story, Steve!

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Happy Investing!
May God Bless!

Keith
Kristen
Louisa

The Consumer Price Index (CPI) is a measure of the cost of goods purchased by average U.S. household. It is calculated by the U.S. government’s Bureau of Labor Statistics.

The S&P 500 index consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market value weighted index with each stock’s weight in the index proportionate to its market value.

Stocks offer long-term growth potential, but may fluctuate more and provide less current income than other investments. An investment in the stock market should be made with an understanding of the risks associated with common stocks, including market fluctuations. The opinions expressed in this report are those of the authors and are not necessarily those of Wells Fargo Advisors Financial Network or its affiliates. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy.

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The Kinsey Report

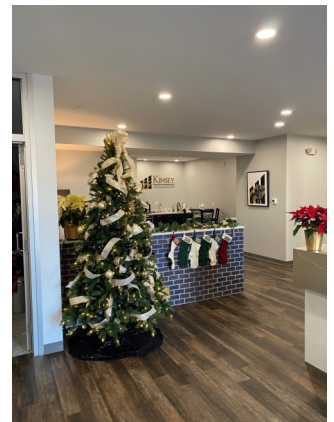
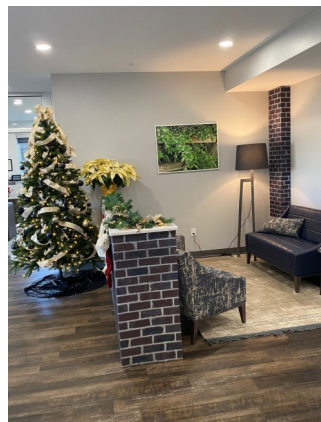


Merry Christmas and Happy New Year!

To say it has been a busy year here at Kinsey Wealth Management would be a huge understatement! Last Christmas, the office looked like this...



And this Christmas...



We are so pleased with our new home! We sincerely appreciate your patience during our transition!

Team Activities

Unlike last year, the Kinsey Wealth Management team found the time to enjoy a dinner together with our significant others to celebrate the year. All had a great time. Each of us has a busy personal schedule this holiday season.

Keith will be traveling to Chicago prior to Christmas to celebrate with his sister Kathi and her family. Her daughter Caiti will be visiting from California and the entire family looks forward to visiting with her. Kristen, Kim, Oliver and Tobbe will join in on the family gathering. On Christmas day, Keith and Karen will enjoy time with Kristen, Chris, Oliver, Tobbe and Kim.

Kristen will join in the Chicago visit and is looking forward to Christmas morning at home with Chris and the boys. Oliver is pretty excited about being a Shepherd in the Sunday School Christmas program on Christmas Eve. Tobbe is also loving the Christmas Season – he enjoys taking ornaments off the tree and knocking Grandpa's Christmas train off the tracks. At ages 1 and 3, this will be a fun Christmas for the entire family. In the afternoon, they will join Keith, Karen and Kim for a family dinner.

Louisa is thrilled to be cooking Christmas morning at the South Side Mission in Peoria, Steve is volunteering in other capacities at the mission. When the work is done, they will enjoy dinner with all of the volunteers later in the afternoon.

Brandon and Jolie took a weekend break in Nashville and will host a couple of family gatherings at their home. Brandon's Dad will be making the trip from California. All in all they will have several Christmas parties over the holiday weekend.

Christina and Howard will be together with Christina's family on the 23rd. They plan on a quiet Christmas morning and then heading to her sister's for dinner.

Stephanie and Derek will be celebrating with 6-year-old Lily, and Derek's family in Chicagoland on the 23rd and celebrating together at home on the 24th. They plan on quiet Christmas morning as well.

We wish you all a Blessed Christmas and a Very Happy 2024!