Friday Forethought

For week ending March 31st 2023

Two Days Does Not a Week Make

While the market appears to be making a statement that investors are feeling that the worst of the banking turmoil is over, there are still questions as to whether the economical undercurrents (inflation, rates, GDP, etc.) will play a supporting role. The equity market had its second positive day in a row yesterday, on the momentum of the CBOE Volatility Index dropping significantly. Also fueling this momentum were joblessness claims coming in on the rise (both new and continuing), and the GDP (Gross Domestic Product) showing up relatively in-line with analysts' expectations.

On the heels of the Fed's raise and subsequent comments last week, investors are hoping that we are heading towards a healthier market – which is understandable. This is the point in an economic recovery cycle when we see pundits from both sides come out with arguments that seem to make sense. For example, there are those experts that feel we are headed in the right direction – that we are at the tail end of rate hikes and that we need to give the necessary time for the rate hikes take effect on the overall economy. Others feel that the economy is too strong i.e. job market, GDP, inflation, etc., and that the Fed will need to hike rates well into the 5+% range. Now comes the Fed's balancing act as people have run out or are running out of disposable income/cash and are debt spending to maintain their pre-2022 lifestyles.

Our Take

One word – THINK! We feel it's going to be bumpy for several more months, and there will be times that equities will look like significant values with high potential upsides. As such, there will be temptations to 'buy low.' Yes, there will be some strong value opportunities, but as we have been saying, now would not be the time to go 'all-in' risk on. For those with cash on the sidelines, there are some attractive fixed income opportunities that could be an option for riding out the rest of the storm. If you have any questions or would like to speak with us about your situation, please feel free to contact us.

QUIN OAKS INVESTMENT GROUP of Wells Fargo Advisors

Leading Trends

S&P 500 Information Technology Sector and The S&P 500 Communication Services Sector are the leading sectors year-to-date: up 19.74% and up 17.73% respectively.

Lagging Trends

The S&P 500 Energy Sector and The S&P 500 Financial Sector are the lagging sectors year-to-date: down 6.16% and down 7.12% respectively.

Weekly Markets

S&P 500	4,050.83	+2.59%
NASDAQ	12,013.47	+1.92%
DJIA[1]	32,859.03	+2.35%

[1]Dow Jones Industrial Average

10-YR US Treasury	3.553%	+13.07 bps
GOLD	1,998.00	+0.10%
OIL	74.37	+7.05%

Market close 3-23-2023 to market close 3-30-2023

David Clarke
Managing Director –Investments

Kathy Sowl Chelini
First Vice President – Investment Officer

Mark Passalacqua
First Vice President – Investment Officer

Justin Pribilovics-Wade, CFP®
Financial Advisor

2 Theatre Square | Suite 210
Orinda, CA 94563

(925) 253-4307
(855) 282-1840