



## MARKET REVIEW

MARCH 4, 2024

Greetings All,

With the release of January inflation data, it appears that the rate of inflation is holding steady at about 1% above where the Federal Reserve would prefer to start cutting interest rates. The Fed will leave interest rates where they are until they get closer to and hold at around 2% inflation. This will be in the second half of the year at the earliest. Despite continued uncertainty around when rate cuts will occur, stocks continue to rally with another positive month in February.

A year after high profile failures in the regional banking sector, New York Community Bancorp shares fell late Thursday after management had identified “material weaknesses” in internal controls related to the way it monitors and assesses risk in commercial real estate loans. While this has not shown itself to be a broad systemic risk in the sector, it poses a problem for banks with high concentrations of commercial real estate loans coming due in the near-term, as these loans will have to be refinanced at higher interest rates as property values have declined.

As we get closer to the presidential election, you wonder if it is a good idea to change your investment portfolio. Research has shown that election years tend to perform in-line with the performance of non-election years, somewhere around 8%. It is important to remain disciplined and focus on your strategy to ensure you meet your retirement goals.

Warm Regards,

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Director of Portfolio Management

“Creating Remarkable Retirements for our clients and their families”

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