Greetings,

Inflation remains elevated with prices increasing over the month of March at 3.48%. Stronger than expected jobs growth also pointed to a hot economy. Without an indication of a slowing economy, we remain vigilant about interest rates but think it unlikely that we will see the Federal Reserve reduce rates until after summer, if at all.

After 3 straight months of positive returns, stocks had a challenging April with the S&P 500 down 4%. Long-term bonds also suffered losses over the month while gold surged to new all-time highs. Overall, stocks are still posting double digit returns over the past 12 months. That fact, along with strong corporate earnings performance triggering $380B in stock repurchases (almost an all-time high), we remain comfortable utilizing equities to combat the impact of sticky inflation on your assets.

The month of May will continue to provide key economic data that will determine where interest rates will go. A pullback in the economy will likely strengthen the equity markets as investors will have a stronger indication that the Fed will finally begin rate cuts. We will remain disciplined in our approach to well-diversified portfolios and provide any material updates as they come along.

Warm Regards,

Brad Mickelson, CFA
Director of Portfolio Management

www.spectrumadvisors.net | brad@spectrumadvisors.net