



Greetings,

Despite some downward pressure on the stock market in August, the month turned out to be positive, leading to a 14% increase for US stocks and 12% increase for international stocks year to date 2024. Bond prices also increased over the month with returns coming in around 3.5% year to date 2024.

Inflation continued to cool in August, with prices increasing 2.5% from a year earlier. This is a new three-year low for price increases after the 20% plus increase in prices over the past few years. While this is a good sign for a rate cut by the Federal Reserve, the August jobs report showed some worrying signs that indicate a steadily weakening US jobs market.

Given what we are seeing and hearing in the market, we expect the first rate cut of the year to occur next week. It looks like the first cut is expected to be around 0.25%. An overall rate reduction of 1% is expected by the end of 2024. This, however, is not set in stone and could vary depending on how inflation and the labor market fares over the remainder of the year.

As always, 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](http://www.spectrumadvisors.net) | [brad@spectrumadvisors.net](mailto:brad@spectrumadvisors.net)