

March 2023 Takeaways

- *Someone once told me that you know you are getting old when you no longer recognize the country you grew up in. That's probably true since things constantly change - or most things anyway.* Does this apply to the investment world? The answer is yes and no. Investors are constantly faced with economic changes both internal and external that challenge their patience (if not their sanity). But on a fundamental level, the more things change, the more they stay the same.
- *Like the weather, markets have their seasons that come and go.* The greater part of any given year is mostly pleasant, but then winter comes. Nothing against winter mind you, but it is the meteorological equivalent of a bear market, which we have dipped into and out of over the past 15 months. It's frustrating, for sure, but like most things, it's not permanent. Things will get better sooner or later.
- *Financial types, like yours truly, get to pour over economic and financial data on a daily basis looking for clues to what "might" happen moving forward.* Fortunately in the information age, there is an abundance of data to digest. Unfortunately, that information is currently a mixed bag. On the economic front, although we are facing contraction on many fronts, the economy continues to slog along and has yet to slip into a full-fledged recession. However our Recession Predictor started flashing a warning signal earlier this year, so stay tuned.
- *Inflation remains the main bugaboo lately, replacing the Covid bug as the main cause for alarm in people's lives.* The good news is that the Federal Reserve's rate hiking is slowing price inflation, notably in the housing market if not at the grocery store. Their "process" will eventually break something. Hopefully that will be inflation's back. Perhaps then we'll see a change in "seasons."
- *On to the markets. Stocks started the year on a strong note, only to fall victim to continued softness in the economic front and stubborn inflation.* That softness in the economy is showing up in earnings, both trailing and forward looking which means there is some work to be done on this front. The technical picture for stocks, however, has finally shaken the downtrend line in place for the past year! If the S&P 500 can close over 4200, the bulls may be back in business. Meanwhile, please try to "bear" with things the way they are...
- *In closing, always remember that patience is a virtue and panic is not a strategy. It's hard to make money overnight but entirely possible over time.* I'll leave you with a quote from Emerson: "The years teach much which the days never knew." It's true about life and it's true about investing! By the way, I just took a look out the window and noticed some sort of yellow flower popping up outside. Hopefully stock prices will follow the lead into Spring. More next time!

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