

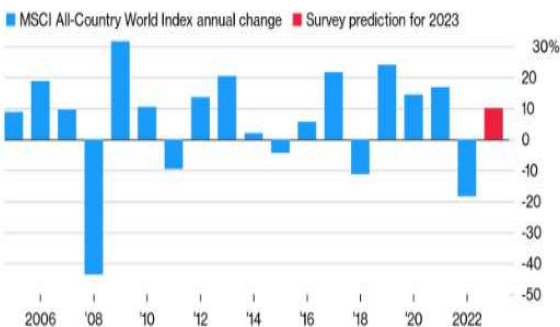
Quarterly Newsletter: Quarter ending Dec. 2022

Warmest greetings to you and your loved ones this holiday season. May you be safe and secure. May you have abundant blessings, peace, and joy in the new year.

I'd like to take a moment to reflect and acknowledge some areas of growth and learning in my life over the past year. It was a full year, to say the least. At the top of my list is the integration of tax planning into LAB Wealth Management, which has been an organic extension of my business. I resumed traveling for professional development, client meetings, and leisure. Lastly, I found space to develop a new romantic relationship. To end the year, I'll be working at my maternal family's home on the island of St. Martin through early January. I'll use the time here to close out year-end business processes, and to reflect on personal and professional goals for 2023. But not to worry; I will also have time to relax, to enjoy time at the beach, time with family and friends enjoying the traditional foods from my childhood, as well as biking, hiking and staying active.

Fund Managers Are Predicting a Better Year for Stocks

Growth would mark a rebound from a rough 2022



Source: Bloomberg survey
Note: Figure for 2022 is up to Dec. 7.

Bloomberg

Market Summary: "Pivot" /pivət/ means to turn or twist. It is one of the most commonly

used words of 2022. From a market perspective, investors are waiting to see when the Federal Reserve will pivot from increasing interest rates to pausing and finally cutting rates. Anticipation for these movements has sent the market swinging wildly in positive and negative directions. The year started with robust interest rate hikes to counter persistent inflation, the highest in over 40 years. The Fed raised rates 3 times at 0.75% and 0.5% in December for a target of 4.25% Fed funds rate. The terminal rate forecast increased to 5.1%.

High inflation was fueled by a shaky reopening post-COVID lockdowns, supply chain disruptions, robust consumer demand, extended money supply from the government stimulus, as well as from the global fallout from Russia's war in Ukraine. Overall, the markets experienced an extremely volatile year. The S&P 500 entered a Bear Market (-20%) from a January 3 high of 4,796. Inflation appears to have peaked and is now cooling, but uncertainties remain and will carry over into 2023. A recession is expected next year, and economists have mixed opinions on its exact timing, duration, and intensity. Most experts forecast:

- slower economic growth both in the US and globally;
- a drop in corporate earnings of 10% or more, not currently priced into stocks;
- weakening consumer demand, taking on more debt to maintain one's standard of living;
- no additional government stimulus;
- and a slightly higher unemployment rate up to 4.6%.

Additionally, inflation should be close to 3% by the end of 2023. Given these dynamics and according to First Trust Advisors, the S&P 500 could be at its current trading level of 3,900 at

LAB Wealth Management LLC

the end of 2023. Despite recent bear market rallies, the stock market has likely not reached the bottom. Historically, the market drops prior to a recession before resuming a firm push forward. We are not in a recession right now. Remaining strategically positioned in the market is important, and windows of opportunities are expected before things return to growth.

A New Year & Refined Intentions: Demystifying Nutrition Controversies for People Age 50+

Come learn the science, get the tools to understand your unique biochemistry, and make the best nutritional choices in the new year.

Instructor: **Nori Hudson, BCHN**

Location: Albany Senior Center, South Room

DATE	DAY	TIME	MEETS	ALB RES	NON RES
Jan 9-Jan 30	M	3:30-5 PM	4x	\$4	\$4
Feb 6-Feb 27	M	3:30-5 PM	3x	\$3	\$3
Mar 6-Mar 27	M	3:30-5 PM	4x	\$4	\$4
Apr 6-Apr 27	M	3:30-5 PM	4x	\$4	\$4

Educational Series via Zoom Continues

Every 2nd Thursday of the month at 4PM PST. Archived sessions are posted at www.labwealthmanagement.com under Learning Center.

December: Year-end Recap of 2022 / 2023 Expectations. Housing data reference: <https://www.blackknightinc.com/black-knights-october-2022-mortgage-monitor/>

January: Setting intentions for a successful year – Guest Speaker. Market Update and expectations for 2023. Details sent via email.

February: Market Update. Retirement Planning – contributions, income, distribution dynamics.



Pictured: December sunset from family home balcony on St. Martin.

Business Update:

2022 tax preparation services offered through LAB Tax Advisors with Kenneth Lewis, CPA. Zoom Saturday, January 14 at 1PM EST/10AM PST. Topic: 2022 tax binder and document expectations for preparation. Zoom link info will be sent via email.

Thanks for your continued support! Wishing you a happy, healthy, and prosperous new year.

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Disclosure

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