

Quarterly Newsletter: *Quarter ending June 2023*

MARKET SUMMARY

Equity markets continued significant upward movement in the second quarter, led by a handful of stocks in the S&P500. Technology, including artificial intelligence (AI), consumer discretionary, and communication services sectors lead these gains. Inflation continued to moderate prompting the FEDs to pause interest rate hikes in June for the first time since March of 2022. The US job market remains strong, and consumers continue to spend despite a higher interest rate environment, making it a challenge to bring inflation back to 2%. Consumer spending could moderate as savings dwindle, and student loan repayment resumes. Many are now realizing a FED rate cut in 2023 will not materialize. A decline in the money supply should pull the economy into a recession soon. A fairly accurate gauge of recession is the inverted yield curve – where short-term bond rates remain higher than long-term rates. The regional banking system and commercial real-estate loans could present additional headwinds for the economy. This much anticipated recession is not expected to be as disruptive as the great recession. Once we get through this current state of economic purgatory and into, and out of a recession, economic and market growth trends are expected to be favorable for the patient, well diversified investor. Energy, utilities, and healthcare sectors could present some opportunities where other parts of the market are over-valued. Both the June consumer price index number on Wednesday, and start of corporate earnings season on Friday, will impact the markets this week.

ZOOM SEMINAR: July and August Break – Join us on Thursday, Sept. 14, when we resume market updates and investment strategy discussions.

BUSINESS UPDATE



LAB Wealth's annual summer BBQ / open-house will be on Saturday, August 12: 1 – 8pm. Location: 1130 Wood Street, Oakland.

Pictured: *Wat Arun* at sunset, Bangkok, Thailand late April.



Thanks for your continued support!

Leon Augustine Boirard, MBA, CFP®, ChFC®
President/Owner

LAB Wealth Management, LLC
www.labwealthmanagement.com

Office: 1130 Wood Street
Oakland, CA 94607
510-735-9854o / 373-2449f / 925-354-4769c
Mail: PO Box 70974
Oakland, CA 94612
leon@labwealthmanagement.com

Disclosure

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