

4th Quarter 2023



## THE WATER STREET JOURNAL

**DANIELLE VALLEAU**

Financial Advisor

Securities offered through Raymond James  
Financial Services, Inc. Member FINRA/SIPC

Guiding and giving direction through all  
of life's adventures...

*"As you walk down the fairway of life you must smell the roses, for you only get to play one round." ~Ben Hogan*

### Staying In Touch

#### CALENDAR OF EVENTS

#### OUR OFFICES WILL BE CLOSED:

WEDNESDAY NOVEMBER 22

\*\*AT 12:00

THURSDAY NOVEMBER 23

FRIDAY NOVEMBER 24

MONDAY DECEMBER 25

#### THE MARKET WILL BE CLOSED:

THURSDAY NOVEMBER 23

FRIDAY NOVEMBER 24

\*\*AT 1:00

MONDAY DECEMBER 25

### Did You Know?

#### Positive thoughts have more power than you think!

A recent study found that Americans rated listening to their favorite song, enjoying a nice dinner, and watching their favorite movie as the top three "little things" that bring joy. While they're all pretty easy to incorporate into life, more than half of those polled said they don't enjoy life's simple pleasures enough and others felt like they don't have enough time to.

Weave more of what you love into everyday life and you may just find yourself walking a little lighter. Sit on the front porch with a cup of coffee, take a walk in the park or make a home-cooked meal ... you get the idea.

If you're looking to retrain your brain to seek out the simple pleasures in life:

- Focus on the good things, no matter how small and even in the most challenging of situations
- Keep a gratitude journal to hold you accountable for practicing thankfulness daily
- Prioritize what makes you feel happy by setting aside time, energy and a budget to see those things through

Sources: slh.com; healthline.com; huffpost.com

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Investment advisory services are offered through Raymond James Financial Services Advisors, Inc.

## From Danielle's Desk: September market review

Throughout the run of the Federal Reserve's (Fed) inflation-fighting, rate-raising program, the equity market has shown uncommon enthusiasm supported by a growing economy, a strong labor market and healthy consumer spending. Contrary to the expected way of these things, inflation continued to cool even as the economy and the markets remained hot.

However, in September, "We believe the economic cycle may be reaching an inflection point," Raymond James Chief Investment Officer Larry Adam said. "The S&P 500 had its second-best start to a year since 1997, and we've warned that equity markets were due for a pullback. Our view is that the economy is slowing, not imploding."

Inflation remains persistently higher than the Fed's 2% target. And while the Fed declined to raise interest rates at its September meeting, it left the door open for another rate increase by the end of the year.

A potential government shutdown, softer consumer confidence, a slowdown in home sales and home starts, higher oil prices, persistent inflation and the Fed's message that the fed fund's rate will be higher for longer combined to bring the S&P 500 down 4.87% for the month.

We'll dive more into some of these details, but first let's review the year-to-date results:

	12/30/22 Close	9/29/23 Close*	Change Year to Date	% Gain/Loss Year to Date
DJIA	33,147.25	33,507.5	+360.25	+1.09
NASDAQ	10,466.48	13,219.32	+2752.84	+26.30
S&P 500	3,839.50	4,288.05	+448.55	+11.68
MSCI EAFE	1,943.93	2,075.85	+131.92	+6.79
Russell 2000	1,761.25	1,785.10	+23.85	+1.35
Bloomberg Aggregate Bond	2,048.73	2,024.02	-24.71	-1.21

\*Performance reflects index values as of market close on Sept 29, 2023

### Congress reaches last minute funding deal

By the end of the month, uncertainty about whether Congress would meet the October 1 deadline to fund the government for fiscal year 2024 without interruption faded into near certainty that a shutdown was imminent. However, a compromise deal approved in the final hours in the fiscal year created a 45-day stopgap. Significant challenges lie in the path of a longer-term funding bill, but this measure suggests they are not insurmountable.

### Treasury yields surge on Fed's words

The 10-year Treasury yield remained elevated through September and hit a 15-year high after the Fed's steadfast language suggested it would keep interest rates higher for longer than investors have expected. Compared to August, rates for notes beyond seven years were up 40-49 basis points while two-year rates went up 19 basis points and five-year rates increased 34 basis points. "Higher for longer" interest rates are expected to weigh on the economy but have also created opportunities to lock in elevated yields.

### Suppliers' discipline pushes oil higher

Oil prices ended September above \$90 a barrel, a 10-month high, demonstrating that the macroeconomic backdrop is not everything. While there is no escaping worldwide weak economic headlines creating headwinds for oil demand, the supply side of the equation is currently driving prices. The OPEC+ group, led by Saudi Arabia and Russia, is actively curtailing oil supply, and for longer than originally expected. OPEC+ has been disciplined with supply from the first days of the COVID-19 pandemic, and even with global demand having surpassed pre-COVID levels, that discipline remains visible.

### Britain and EU reach potential interest rate plateaus

While avoiding being boxed in by statements claiming their aggressive interest rate raising strategies have reached a "keep high and hold" stage, the positions of both the Bank of England and European Central Bank were similarly hawkish as the U.S.'s Federal Reserve as they adopted no change to their current, heightened rate in the U.K., and a quarter-percentage point raise in a single currency area in the euro zone

### Japanese markets suggest ending of "ultra-easy" money

Financial market pricing suggests the Bank of Japan may end its 16-year run of negative interest rates as part of its "ultra-easy" monetary policy stance. If Japan is going to depart from its long-held policy position it seems unlikely before January, at the earliest. Given that local financial institutions are nursing losses on local sovereign bond holdings, any further adjustment in the country's monetary policy position is thought more dependent on any offsetting moves in the stock market than on inflation's future pathway.

### The bottom line

September saw some investors' hopes for a "soft landing" – a corrective to inflation without a recessionary side effect – challenged, pulling air out of the equity market. Though the economy and labor market remained strong in the third quarter, data continue to suggest a mild recession in the first half of 2024.

I expect volatile conditions to continue into the fourth quarter, but my overall outlook remains positive. As long-term investors, down markets present opportunities to acquire high-quality assets.

I am honored to have earned your trust as we pursue your financial goals together. If you have any questions about your portfolio, financial plan or wish to discuss the movement of the market, please reach out at your earliest convenience.

Material created by Raymond James for use by its advisors

## Future-focused communication can help your heirs flourish

### Estate & Giving

*Set your loved ones up for success with honest dialogue and a thoughtfully crafted planning framework.*

You've achieved a certain level of success, and you understand that the privileges of significant wealth come with challenges in equal measure. Among those challenges is successfully passing your wealth and values on to the next generation. Without careful planning, almost 70% of heirs' money, assets and family harmony disappear after an estate transition.

You have the opportunity – while you're living – to set your loved ones up for success, so to speak. A chance for open, honest communication, and for nurturing future-focused conversations about values, charitable giving and diligent stewardship. Estate planning is more than transferring money. It's about what that money can do for future generations, and making room for your family to grow closer, stronger – to prosper. The conversations may be sensitive, but they'll be worthwhile.

### Don't let your heir down

Research and data clearly demonstrate that lack of transparency or a shared family vision can adversely impact the rising generation. To stack the odds in your favor, you'll need to create a framework to help your heirs flourish, strengthening family unity. Family meetings can help solidify decision-making and wealth governance – providing a structure that supports and sparks meaningful, multigenerational dialogue.

Each generation will have different ideas about how to use money to benefit their lives and those around them. While you may not always agree with your kids, give them a say in how the family wealth should be used. That can help connect generations and shape your family's future while promoting openness and family harmony. If nothing else, family discussions will lend incredible insight into each other's values and temperaments and will give you an opening to understand them better.

### Create a road map

Support whatever conversations you have with documentation, storing legal paperwork, passwords, insurance policies, titles and deeds with a trusted attorney, advisor or in a secure online portal, like Vault, which allows you to assign various levels of access to particular people. Don't forget to include the contact information of your estate planning team in case your heirs need it down the line.

Understand that wealth's privileges and complexities deserve, even demand, thoughtful preparation, and honest, ongoing conversations. Circumstances can and will change, as should your estate plan. So work with your advisor along with your other planning professionals to find fair answers to important questions, establish trust and open dialogue, and provide the gift of opportunity to those who matter most.

### Next Steps

If you're not sure how to start the conversation with your heirs, choose a topic below and let the dialogue flow naturally from there.

- **Define your family's mission statement and your intentions for your wealth and legacy.**
- **If something happened to you tomorrow, is your family comfortable enough with your financial details to assemble a snapshot of your assets?**
- **Let them know where you've stored necessary documents and how to access them.**



On Saturday, November 11, please join us in commemorating Veterans Day by honoring the military service personnel of the United States Armed Forces who have devotedly and selflessly served to defend their country.

To recognize the cessation of hostilities in World War I, November 11 became a federal holiday in the U.S. in 1938. Less than two decades later, in 1954, Congress amended the 1938 act, changing the name of the holiday from Armistice Day to Veterans Day. Since then, the federal observance has and continues to honor American veterans of all wars.

Today, there are around 16.5 million veterans living among us. These people, the families who love them, and their collective contributions are what make Veterans Day all the more meaningful to generations of people across our nation.

We were inspired by the story of Lieutenant Susan Ahn Cuddy, the first Asian American woman and first woman gunnery officer in the U.S. to teach Navy pilots air combat tactics. The Department of Defense recognizes Cuddy as a barrier-breaker, unwavering trailblazer and successful pioneer for women and Asian Americans in the military. She, like many veterans before and after her, gave commitment to her country in its entirety.

At Raymond James, we honor those who served, and we sincerely respect the experiences and sacrifices that have shaped their lives and will forever connect them to a strong community no matter where they are in the world.

Our business has always been about people, their well-being and celebrating their contributions. We are proud to be here for you as part of a firm that values and honors the diverse perspectives of veterans through our firmwide inclusion groups – Valor and the Veteran Financial Advisors Network (VFAN).

Thank you for continuing to allow us to serve you and your family. We wholeheartedly appreciate your confidence.

*Danielle, Annette & Michelle*

## Community Involvement

Danielle and Michelle were so excited to be able to volunteer this year at the Greater Augusta Back to School Program school supplies event. Thanks to generous donations from people like you, the event distributed over 1,000 backpacks full of school supplies. This event has evolved to include free food available, music, free haircuts, demonstrations by organizations that offer healthy after school activities and more! We are truly honored to be a part of it and to have clients like you that help us to do so.



### Operation Warm

[greATERaugustabtsp.org/operation-warm](http://greATERaugustabtsp.org/operation-warm)



### Christmas Program

[mainechildrenshome.org](http://mainechildrenshome.org)



[augustafoodbank.org](http://augustafoodbank.org)

As the holiday season approaches and colder temperatures will soon be upon us, many families find themselves in need during this time of year. The above organizations provide assistance and resources to individuals and families in our community and state. If you are looking for a place to volunteer or donate, consider finding out more on their websites to see if it would be a good fit for your year-end giving plan.

Raymond James is not affiliated with the above independent or charitable organizations

### Join Us Online! Stay Connected, Stay Informed

Like our Facebook page and get current, up-to-date information from Raymond James and our office! Simply login to Facebook and search for "Danielle Valteau, Financial Advisor with Raymond James Financial Services"

Check out our website [raymondjames.com/daniellevalteau](http://raymondjames.com/daniellevalteau), where Client Access, The Water Street Journal, market and investment updates are all some of the resources at your fingertips.

### Just more ways we can stay in touch!



*With you through all of life's adventures...*

Winter adventures in Maine are so plentiful, it can be hard to decide which one to tackle first. Will it be skiing at Sugarloaf? Ice fishing on Moosehead Lake? Maybe playing it safe and joining a book club with friends! Through the years we have genuinely enjoyed hearing about trips, adventures, realized goals and life achievements. These are all things to be celebrated, and we'd like to ask you to start sharing some of these things for our newsletter, please send me pictures of your adventure with a brief description.

[annette.sprague@raymondjames.com](mailto:annette.sprague@raymondjames.com)



*It's your life.... Live it!!*

If your financial situation, risk tolerance, or goals and objectives have changed, please give us a call.

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