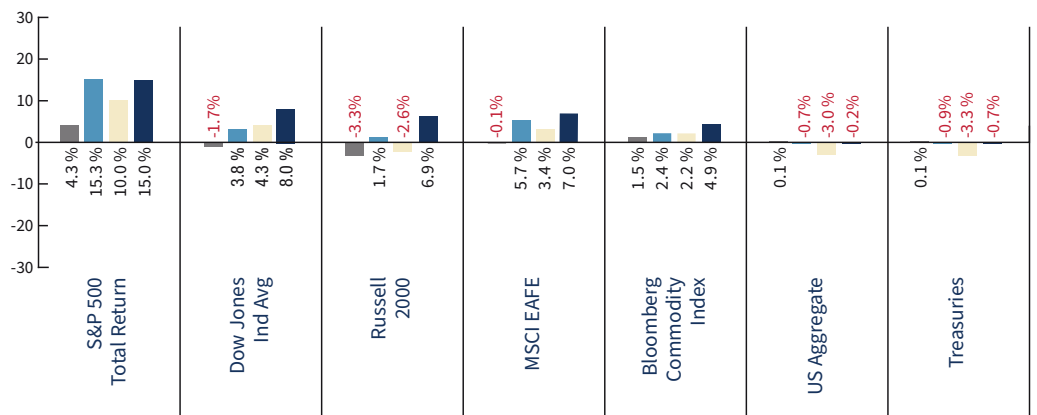




“Never put an age limit on your dreams.”

– Dara Torres,  
 4x Olympic swimming champion

## Asset Class Returns (as of June 30, 2024)



Materials prepared by Raymond James for use by its Financial Advisors

## Market & Economic Synopsis

- The Federal Reserve (Fed) held the federal funds rate steady at the 5.25% – 5.50% range. The Fed is not convinced the fight against inflation is over, but we do expect the Fed to start rate cuts this fall.
- Inflation remains at elevated levels, but the disinflation trend remains intact and we expect inflation to fall under 3% by year end.
- The unemployment rate (4.0%) reached its highest level since January 2022, which indicates the labor market is cooling.
- S&P 500 posts best start to a presidential re-election year, notching 31 record highs YTD. Dow Jones Industrial Average closed above 40,000 for the first time on record.
- The 3-month and 10-year Treasury yield spread remained inverted for the 429th consecutive trading day — the longest streak on record. An inverted yield curve happens when shorter-term treasuries are paying more than longer-term treasuries.
- The national debt reached \$35 trillion. The last two administrations have each added trillions to this number. Most Americans would agree: the U.S. federal debt is on a completely unsustainable path.

## Newest (and Cutest) Additions to the Hicks Bridenbeck Financial Group family



**Margaret welcomed a new granddaughter!**

Madelyn Elisabeth Redden

Born: 5/20/2024

Weight: 9 lbs

Length: 20 inches

Big sister Emilia, 3 years old

Gunnar Tadd Gerard Bridenbeck

Born: 5/31/24

Weight: 7 lbs, 11 oz

Length: 20.5 inches

Big brother Otto, 18 months

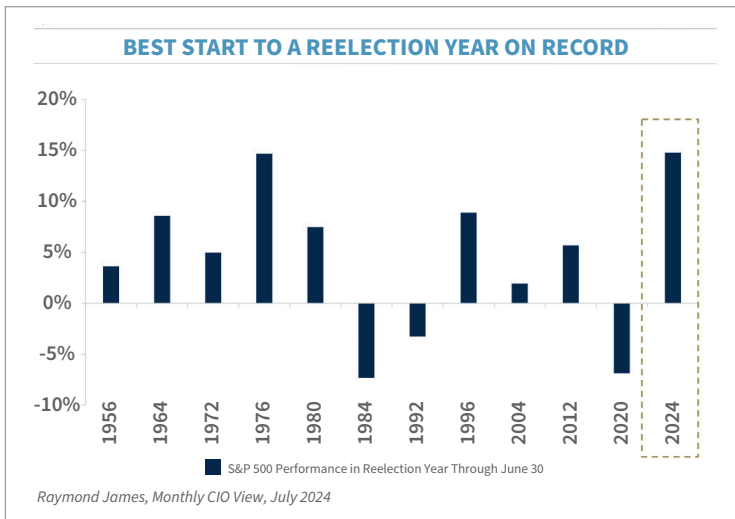


## Market Update

### A Gold Medal Start to the Year

The saying “records are meant to be broken” will ring true over the next few weeks as many tune in to watch the Paris Summer Olympics. Just as we will see new records in track and field and swimming, the equity markets have been setting new records for the first half of 2024. The S&P 500 has reached 34 new record highs. Furthermore, the S&P was up 15.3% for the first half of the year, which marked the best start to a re-election year on record. The technology sector continues to dominate the competition and is responsible for most of the S&P 500 return thus far this year, driven mainly by artificial intelligence enthusiasm. We’d like to see technology pass the baton and market leadership broaden to other sectors and asset classes, reinforcing the belief that we are in a multi-year bull market.

*Go Team U-S-A!*



### A Challenging Bar Set for the Near Term

We believe it will be difficult for the equity markets to duplicate the first half of the year. It was a nearly flawless routine in terms of the S&P 500 return. Like Olympic athletes, equity markets need confidence and momentum to move higher, but election uncertainty and high valuations point to a challenging second half of the year for equities.

The presidential election historically creates volatility in the stock and bond markets, of which we have yet to experience this year. The uncertainty around policy, control of Congress, and the risk of brinkmanship may bring an uneasiness to the markets with major policies looming: the return of the debt limit in January 2025 and the expiration of the 2017 individual tax cuts on December 31, 2025.

The equity markets are currently pricing in interest rate cuts before year's end. And although we believe the Federal Reserve will cut rates 1 to 2 times in the second half of the year, it is no foregone conclusion. The Federal Reserve wants to see continued evidence that inflation is moderating and trending towards their 2% inflation goal. There is a concern that the Federal Reserve will keep rates too high for too long. If you recall, they waited too long to raise rates which contributed to the record inflation we experienced in 2022. Like a gymnast performing a floor routine, any slight delay or miscue by the Federal Reserve can disrupt current momentum. Keep in mind, the Federal Reserve Chair is nominated by the President, so the winner of the election might be an indication of interest rate moves.

Equity valuations, at their highest level since January 2022, continue to increase which raises the expectation bar for every earnings season. Any slip in a company's earnings report or outlook could cause a tumble. We do not believe the stock market is in a bubble, but we do believe fundamentals matter. Earnings growth continues to support the high valuations and we believe that strength can continue for select companies and sectors. It would not surprise us to see momentum and confidence slow for the rest of the year because of stock volatility and election uncertainty. However, in the longer term, we believe equity markets are nowhere near their peak.



## Around the Office

### Raymond James Investment Bank

- Did you know that Raymond James has a full-service Investment Bank which was named "Investment Banking Firm of the Year" by The M&A Advisor and "USA Middle Market M&A Investment Bank of the Year" by the Global M&A Network\*?
- If you or someone you know is thinking of selling all or part of a business, contact us to see if we can provide support.

### T+1 Settlement

- Effective May 28, 2024, the time between trade and settlement dates went from two business days to one business day. Did you know that the SEC moved from T+5 to T+3 in 1993 and later moved from T+3 to T+2 in 2017?

**Electronic copies of current and past newsletters can be found on the Resource tab of our website:**  
[www.raymondjames.com/hicksbridenbeck](http://www.raymondjames.com/hicksbridenbeck)

\*Awards won in 2016

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Index performance is shown for illustrative purposes only and does not reflect the deductions of fees, trading costs or other expenses, which will affect actual investment performance. You cannot invest directly in any index. Individual results may vary. Past performance is not a guarantee of future results. There is no assurance any of the forecasts mentioned will occur.

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The DJIA index covers 30 major NYSE industrial companies. The S&P 500 is a broad-based measurement of performance of 500 widely-held common stocks. The Barclays Aggregate Bond Index is a diversified index measuring approximately 6,000 investment grade, fixed-rate taxable securities. The Bloomberg Commodity Index is a diversified benchmark for the commodity futures market. The MSCI EAFE index is designed to measure the equity market performance of developed markets excluding the U.S. & Canada. The Barclays Municipal Bond Index is a measure of the long-term tax-exempt bond market with securities of investment grade. The Citigroup Broad Investment Grade Bond Index is market capitalization weighted and designed to track the performance of U.S. dollar-denominated bonds issued in the U.S. investment-grade bond market.

U.S. government bonds and treasury bills are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and guaranteed principal value. There is an inverse relationship between interest rate movements and bond prices. Generally, when interest rates rise, bond prices fall and when interest rates fall, bond prices generally rise. Commodities may be subject to greater volatility than investments in traditional securities. Investments in commodities may be affected by overall market movements, changes in interest rates, and other factors such as weather, disease, embargoes, and international economic and political developments. Diversification and asset allocation do not ensure a profit or protect against a loss. Dividends are not guaranteed and must be authorized by the company's board of directors.

Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Municipal bond interest is not subject to federal income tax but may be subject to AMT, state or local taxes. Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Please consult an income tax professional to assess the impact of holding such securities on your tax liability.

Russell 2000 Total Return Index: This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

Bloomberg US Agg Bond Total Return Index: The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

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