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Barrister was founded with the sole mission of offering clients an opportunity to meet their financial objectives through independent, ethical, unbiased and expert professional guidance.

Barrister works with individuals, companies and non-profits providing financial planning, asset management, insurance, and employee benefit solutions.

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Dear Friends,

The Fed is having a rough year. Going into '24 it was expected they would cut rates 6 times, now we are down to 2, I believe we won't get any cuts. They even may need to raise rates soon.

Despite the reported government CPI readings, we all know inflation is still very much an issue. Whether it is at the gas pump or the grocery store, everything is much more expensive than four years ago. Inflation was measured like it was in the 80's it would be 12%. Despite higher interest rates, housing prices, stocks and crypto are all still near record highs. The labor market is still tight, and wages are starting to increase. If the Fed were to start cutting rates now, we would likely enter a wage-price spiral where prices would keep rising, which would push wages higher, pushing up prices and on and on. The Fed can't let this happen and likely won't, because despite what they may say, they will be forced to hold the course, or even possibly raise rates. This brings me to two quotes:

"Forecasts create the mirage that the future is knowable."

- Peter Bernstein

"We have two classes of forecasters; Those who don't know – and those who don't know they don't know."

- John Kenneth Galbraith

We don't advise clients based on forecasts, because we realize that nobody can accurately predict the future, or they are just ignorant to the fact that they can't, either way they are not worth listening to. Some of our clients who were recently looking to purchase a new home were told, "you buy the house and just rent the interest rate." We strongly advised them against this type of thinking. You can't make financial decisions based on forecasts, or what you might hope will happen. The start of the next housing crisis could very well be people who bought homes at interest rates they can't afford, because they thought they were just renting the rate…

Best,

PLANNING NOTES

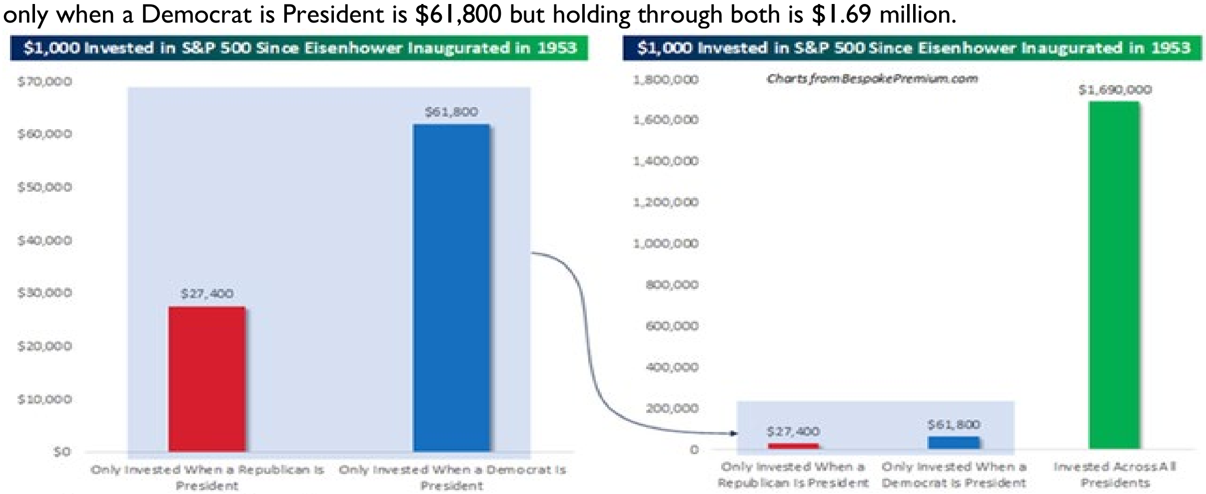
Warning about Certificate of Deposit

A recent article in the Wall Street Journal chronicled one investors surprise when they learned that they were not earning the advertised 4.1%, or even the same 3.85%, they had earned on their recently matured 11-month CD. Instead, this investor is stuck earning just .05% for almost a year, unless they are willing to pay an early withdrawal fee. Welcome to the auto-roll…

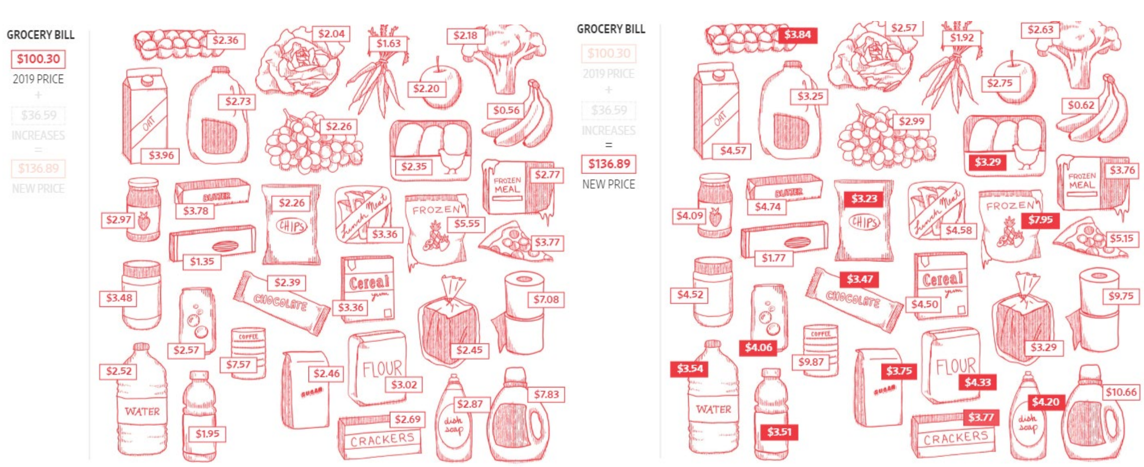
Banks are required to contact customers to notify them that their CD will automatically roll into a new CD. However, they don't need to disclose the new rate, just a phone number that the customer can call. Many investors like the one in the article would likely ignore the notification and assume they would at least get the same rate, or whatever the bank was currently advertising. Unfortunately, that is not the case. Even with CDs, buyer beware.

Charts

Ignore politics. Since '53 $1,000 invested only when a Republican is President would be worth $27,400 and only when a Democrat is President is $61,800 but holding through both is $1.69 million.



You aren't crazy, your grocery bill is a lot more expensive. The Wall Street Journal found that a basket of groceries purchased for $100.30 back in 2019 would now cost $136.89. To spend the same $100 you would have to remove $37 of items. Despite what the government might say, inflation is still a very real problem.



MARKET & ECONOMIC INDICATORS

Indicator	*Note [change vs prior quarter]*
Investor Sentiment AAII	43.4 Bullish [-2.9%] | 32.5% Neutral [+3.9%] | 24% Bearish [-1.1%]
Investor Sentiment CNN	46 Neutrel [-30]
Leisure and Entertainment (PEJ)	Up 10.56% YTD, beating the S&P 500 by .17%
Technology (XLK)	Up 8.38% YTD, trailing the S&P 500 by 2.01%
SemiConductors (SMH)	Up 28.66% YTD, beating the S&P 500 by 18.27%
Financials (XLF)	Up 12.44% YTD, beating the S&P 500 by 2.05%
Staples (VDC)	Up 7.36% YTD, trailing the S&P 500 by 3.03%
Healthcare (XLV)	Up 8.71% YTD, trailing the S&P 500 by 1.68%
Utilities (XLU)	Up 4.52% YTD, trailing the S&P 500 by 5.87%
Commodities (PDBC)	Up 4.29% YTD, trailing the S&P 500 by 6.1%
Real Estate (ICF)	Down 1.31% YTD, trailing the S&P 500 by 11.7%
20yr+ Treasury (TLT)	Down 3.70% YTD, trailing the Barclays Bond Index by 2.96%
2yr/10yr Government Bond Spread	Spread is negative at -.37% [-.02 bps]
High Yield Bonds (HYG)	Up 1.51% YTD, beating the Barclays Bond Index by 2.25%
HYG spread vs 10yr Treasury	+316 bps [-23 bps]
YOY Corporate Earnings	Analysts increased earnings estimates 6% for Q1, a record-high
Central Bank Activity	Fed holding steady with only two expected interest rate cuts in 2024
Average Hourly Earnings	YOY increase of .6% for the period ending March 2024
Fund Flows	-$45.03 billion from equity funds and +$24.86 billion to bund funds over the past 30 days
Market Breadth	S&P 500, Dow & NASDAQ all declining off recent highs

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