

2024 Lookback

As we approach the end of 2024, I wanted to take a moment to reflect on the year, its events, and the lessons they offer. It has been a year of significant shifts—some surprising, some long-awaited—that reminded us of the interconnectedness of global events and personal finance.

Economy

2024 will be remembered as a year when the global economy sought balance amidst opposing forces. Central banks worldwide, led by the Federal Reserve, navigated the challenge of stabilizing inflation while fostering growth. Inflation, which had been cooling through 2023, remained stubbornly above the Fed's 2% target, prompting further rate hikes early in the year, followed by later cuts. These actions sent ripples through markets, from housing to bonds, impacting investments and the economy at large.

While the Fed's actions can feel restrictive at times, they serve as a reminder of its dual role: acting as the nurturer of economic growth and the necessary disciplinarian when growth threatens stability. This duality underscores the importance of discipline, balancing optimism with preparedness.

Markets

Equity markets reflected this year's push and pull. After a strong January, fueled by optimism surrounding artificial intelligence and technological innovation, markets faced volatility in the spring as rate fears spiked. However, sectors like energy and consumer staples provided stability, reinforcing the importance of diversification as a cornerstone of long-term strategy.

The bond market, once overshadowed, reemerged as a compelling option for income-seeking investors. Yields on Treasuries reached levels unseen in decades, presenting opportunities for those patient enough to weather near-term volatility. Cycles create opportunities for those who stay engaged.

Global

Geopolitical developments also played a significant role in 2024. The ongoing conflict in Eastern Europe reshaped energy markets, with natural gas prices spiking in the early months of the year. These disruptions highlighted the value of energy independence and spurred investment in renewables. Meanwhile, China's uneven economic recovery rippled across global supply chains and commodity prices.

Technology

Amid challenges, technology continued to shine. The ongoing evolution of AI and automation sparked what has been called the "Fourth Industrial Revolution." From healthcare breakthroughs to efficiency gains in logistics, these technologies are disruptive but also a powerful force for progress. As investors, moments like these remind us to focus on the future and the impact of today's innovations.

Lessons and Opportunities

Through these global events, the financial principles I hold have proven timeless:

1. **Patience is Power:** Whether navigating a volatile stock market or a fluctuating interest rate environment, staying invested often pays off. Time in the market remains the path to wealth creation.

2. **Adaptability is Essential:** From technological innovation to geopolitical shifts, the ability to adapt and embrace change keeps us aligned with opportunities while managing risks.

As we move into 2025, questions remain about the trajectory of interest rates, inflation, and global growth. Will the Fed continue to achieve its elusive “soft landing”? Will the AI boom continue to reshape industries at its current pace or accelerate? While these questions remain unanswered, what we can control is our response: sticking to a process, focusing on long-term goals, and avoiding the noise that tempts us to stray.

I remain confident that our strategy—an evidence based process that uses current and objective data—will continue to serve us well.

In 2024, we witnessed the power of resilience, the necessity of adaptability, and the value of a discipline. While the year brought its share of challenges, it also offered opportunities for growth.

Thank you for trusting me as a steward of your financial future. It is a responsibility I take seriously and a partnership I deeply value. As always, I’m here to discuss anything you’d like as I plan for the year ahead.

Wishing you a joyous holiday season and a prosperous New Year.



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