



THE MARSHALL/TEPPER
GROUP
AT MORGAN STANLEY



Contact Us:

Jessica A. Marshall
Executive Director
Senior Portfolio Management Director
Financial Advisor
jessica.a.marshall@morganstanley.com
212-230-3602

Jerrold P. Tepper, CPM®
Senior Vice President
Senior Portfolio Management Director
Certified Portfolio Manager
Financial Advisor
jerrold.p.tepper@morganstanley.com
212-230-3601

Kenneth J. Bracht Jr.
Associate Vice President
Portfolio Management Associate
Financial Planning Specialist
Financial Advisor
kenneth.j.bracht@morganstanley.com
212-603-6177

Patrick J. Valenti
Assistant Vice President
Wealth Management Associate
patrick.valenti@morganstanley.com
212-230-3498

Stephen Miller
Client Service Associate
stephen.miller@morganstanley.com
212-230-3718

We appreciate your introductions to
friends, family and business
associates, as well as your continued
confidence in us.

1221 Avenue of Americas – 4th Floor
New York, NY 10020

Market Update

The Last Leg is Usually the Toughest:

The first quarter of the year registered some impressive gains, largely fueled by technology and the hope for a “soft landing” in the economy.

In the first quarter of 2024, the global economy continued its tug of war between two opposing views on inflation. Some market strategists maintained that inflation was transitory and driven by supply chain disruptions, commodity price spikes, and residual effects from the pandemic. Others warned that inflation was persistent, being increasingly influenced by strong consumer demand, rising wages, and higher rents.

As you might expect, market sentiment shifted throughout the quarter. New data and events influenced these sometimes-divergent opinions. For example, in January, those who closely track the comments out of the Federal Reserve had forecasted as many as six rate cuts by the end of the year. As the calendar turned to spring, it was increasingly evident that the underlying economy was reasonably strong and likely would not warrant any such cuts. As a result, projections and cautionary comments from central bankers have now dropped the prospect for rate cuts to two or even none.

Inflation can be stubborn and “sticky.” While acknowledging some success in the inflation battle, and a positive response to policy actions, any claims of “mission accomplished” may be premature.

Given the uncertainty and volatility of the inflation outlook, we continued to maintain a balanced and diversified approach to portfolio allocation. We are monitoring high-quality growth companies, including those who dominate the conversation on artificial intelligence (AI). We are also looking at those companies that can potentially benefit as the market broadens beyond its narrow focus on technology.

While we believe that the inflation debate and the underlying strength of the economy is key, we are also mindful of increasing geopolitical tensions. The conflict in the Middle East has pushed the price of oil up towards previous highs. Going into the summer driving season and paying more at the pump could be a headwind for the economy. Then there is the election this fall. As you can expect, the markets will attempt to forecast which candidates and policies could influence the markets. In our experience, we have concluded that trying to gauge your investment strategies on the outcome of an election rarely pays off. What ultimately matters most is to stay focused on your own personal plan.

Please be sure to visit our website at
<https://advisor.morganstanley.com/the-marshall-tepper-group>

The views expressed herein are those of the author and do not necessarily reflect the views of Morgan Stanley Wealth Management or its affiliates. All opinions are subject to change without notice. Neither the information provided, nor any opinion expressed constitutes a solicitation for the purchase or sale of any security. Past performance is no guarantee of future results.

This material contains forward looking statements and there can be no guarantees they will come to pass. The information and statistical data contained herein have been obtained from sources believed to be reliable but in no way are guaranteed by Morgan Stanley as to accuracy or completeness. There is no guarantee that any investments mentioned will be in each client's portfolio.

Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention.

Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

Diversification does not guarantee a profit or protect against loss in a declining financial market.

Past performance of any security is not a guarantee of future performance. There is no guarantee that this investment strategy will work under all market conditions.

International investing may not be appropriate for every investor and is subject to additional risks, including currency fluctuations, political factors, withholding, lack of liquidity, the absence of adequate financial information, and exchange control restrictions impacting foreign issuers. These risks may be magnified in emerging markets because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies.

Information contained herein has been obtained from sources considered to be reliable, but we do not guarantee their accuracy or completeness.

The Portfolio Management program is an investment advisory program in which the client's Financial Advisor invests the client's assets on a discretionary basis in a range of securities.

Dow Jones Industrial Average is a price-weighted index of the 30 "blue-chip" stocks and serves as a measure of the U.S. market, covering such diverse industries as financial services, technology, retail, entertainment and consumer goods. An investment cannot be made directly in a market index.

S&P 500 Index is an unmanaged, market value-weighted index of 500 stocks generally representative of the broad stock market. An investment cannot be made directly in a market index.

© Morgan Stanley Smith Barney LLC. Member SIPC.

April 2024

CRC Tracking# 6555071