



The Etergino Group

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The Markets

Will deflation continue?

In May, Pew Research asked Americans about the biggest problems facing our nation. The top three answers were:

1. Inflation;
2. The ability of Democrats and Republicans to work together; and
3. The affordability of health care.

Last week, there was some good news about the first issue. Inflation became deflation as the Consumer Price Index (CPI) fell in June after remaining unchanged in May. Headline inflation was -0.1 percent month over month.

Megan Leonhardt of *Barron's* reported on the CPI's findings: "The details under the hood, so to speak, also largely provided good news for consumers and Fed officials. Goods deflation continued — driven by falling new and used vehicle prices—while services costs also trended down. And housing costs, a persistently stubborn sector when it comes to progress in taming inflation, increased just 0.2% on the month — a slowdown from the consistent monthly readings of 0.4%."

Cooling inflation may lead the Federal Reserve (Fed) to begin lowering the federal funds rate – and that would make borrowing less expensive. Optimism about lower rates led to a bond market rally, and a realignment in the stock market. Rita Nazareth of *Bloomberg* explained:

"Wall Street traders betting the Federal Reserve will be able to cut rates soon sent bond yields tumbling — while driving a big rotation out of the tech megacaps that have powered the bull market in stocks. Further signs that inflation is slowing down fueled speculation the Fed will be able to move as early as September. Optimism over lower rates sparked a shift into riskier corners of the market — as money exited the long-favored safety trade of big tech."

Last week, major U.S. stock market indices moved higher with the Dow Jones Industrial Average hitting its first record high for 2024, reported Jacob Sonenshine. The yield on the benchmark 10-year U.S. Treasury note moved lower last week.

Over the weekend, after this commentary was written, there was an attempt to assassinate former President Donald Trump. We condemn this senseless act. We will stay alert to how this affects financial markets.

Data as of 7/12/24	1-Week	YTD	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	0.9%	17.7%	25.6%	8.6%	13.3%	11.0%
Dow Jones Global ex-U.S. Index	2.1	8.0	11.8	-1.1	3.9	1.9
10-year Treasury Note (yield only)	4.2	N/A	3.9	1.4	2.1	2.6
Gold (per ounce)	1.2	15.8	23.2	10.3	11.3	6.3
Bloomberg Commodity Index	-1.7	2.1	-2.6	2.4	4.5	-2.5

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

A QUIZ FOR SOCCER FANS. Over the last couple of weeks, fans of the world’s most popular sport were riveted as the men’s championships played out in Europe and the United States. Last weekend, Spain took on England at the UEFA EURO 2024 championship in Berlin, Germany, while Argentina and Colombia duked it out for the CONMEBOL Copa América™ title in Miami, Florida. Fans of the beautiful game (soccer) can test their knowledge of the tournaments by taking this brief quiz.

1. In the history of European Championship matches, 30 own goals have been scored. (An own goal is when a team scores on itself.) How many own goals were tallied in the 2024 tournament prior to last weekend?
 - a. Two
 - b. Four
 - c. Seven
 - d. Ten
2. Colombia beat Uruguay in the Copa América semifinal. For some of that match, Colombia had 10 players on the field after losing a player to a red card. How long did the team compete with only 10 players?
 - a. 15 minutes
 - b. 45 minutes
 - c. 60 minutes
 - d. During injury time (aka stoppage time)
3. Spain’s Lamine Yamal was the youngest player to start in the Champions league and the youngest to score at the European Championship. How old was he when he scored?
 - a. 15
 - b. 16
 - c. 17
 - d. 18
4. Who holds the record for the most assists – passes that lead directly to goals – in the Copa América tournament?
 - a. Luis Suarez
 - b. Lionel Messi
 - c. Luis Figo
 - d. James Rodriguez
5. Bonus question: Which women’s team won the 2024 CONCACAF W Gold Cup?
 - a. Mexico
 - b. United States
 - c. Canada
 - d. Brazil


What’s your favorite bit of soccer trivia?

Weekly Focus – Think About It

“The thing about football – the important thing about football – is that it is not just about football.”

—Terry Pratchett, author

Best regards,



Ann Marie Etergino, CIMA®
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Answers: 1) d; 2) b; 3) b; 4) d; 5) b

Answers: 1) d; 2) b; 3) b; 4) d; 5) b

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- All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
- The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), <https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM>.
- The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
- International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
- Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.
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