



1st Quarter 2024 Newsletter

- The market has continued to rise since October 2023. It is positive to see the increase being driven by market wide growth, as opposed to only a few mega-cap stocks pushing the market higher. This can be seen in the S&P Equal Weight Index, which measures each stock equally rather than by company size. As of late March, this index was up 25%, nearly matching the 27% growth in the S&P 500.
- The February inflation report indicated higher than expected annual inflation of 3.2%, leading some to wonder if the Fed will continue to hold rates higher for longer. However, the Federal Reserve kept rate forecasts unchanged in their March meeting, with most Fed officials still signaling three rate cuts by the end of 2024 of ¼ percent each.
- According to Redfin, 82.4% of homeowners with mortgages have a rate below 5% and 62% have a rate below 4%.¹ Housing inventory remains restricted with many opting to maintain their current mortgage, as opposed to relocating at today's higher rates. (6.79% 30-year average)².
- In the past four years, the S&P 500 has experienced two bear markets resulting in declines of more than -33% in 2020 and -24% in 2022. Despite these declines, the S&P 500 has gained more than 58% over this period. Focusing on the bigger picture and tuning out the short-term noise is helpful in maintaining your long-term strategy.³

News and Observations

- As artificial intelligence shows promise for the future of tech, it is increasingly being used by scammers and con artists. As scamming becomes more and more common, updating antivirus software, freezing credit, and using call-blocking tools can lower the likeliness of fraud.
- If you travel internationally, it is important to know if your medical plan covers you in foreign countries. Options such as GeoBlue Travel Insurance can offer inexpensive medical coverage abroad for single trips or annual periods. (go.geobluetravelinsurance.com)
- The resilient labor market continues to provide support for the economy. For the first time since the 1960s, the unemployment rate has been below 4% for two consecutive years.
- Bitcoin rallied in 2024 following the introduction of new spot ETFs with demand exceeding supply. Cryptocurrencies have no inherent cash flows and limited mainstream use cases, and so remain highly speculative.

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Market Index Returns

1st Quarter

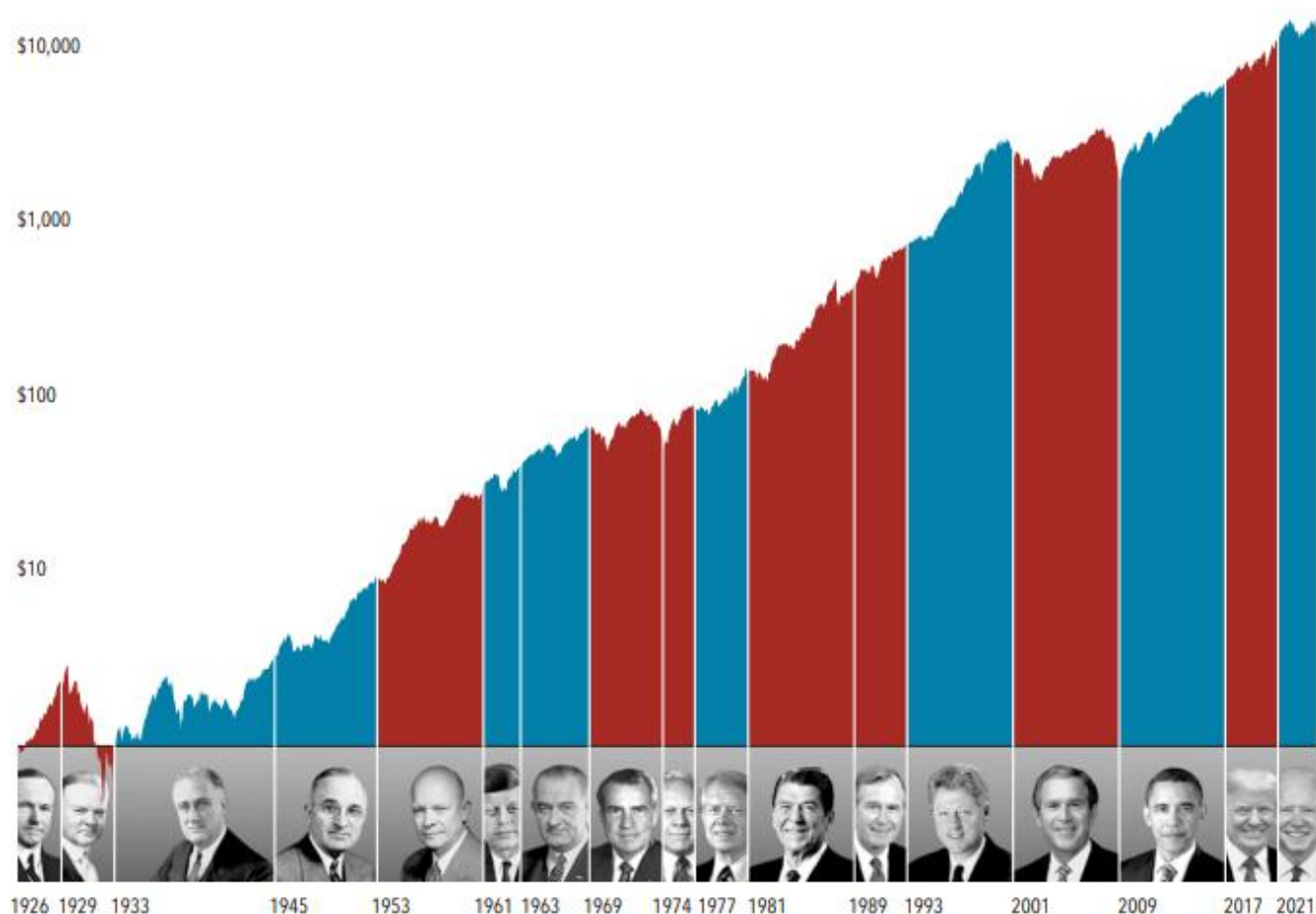
<i>S&P 500 (Large Cap)</i> _____	10.56%
<i>Russell 2000 (Small Cap)</i> _____	5.18%
<i>MSCI International Index</i> _____	5.74%
<i>MSCI Emerging Markets</i> _____	2.44%
<i>US REIT Index</i> _____	-0.39%
<i>Bloomberg Commodity Index</i> _____	2.19%
<i>BofA 1-3 yr Corporate & Govt. Bond Index</i> _____	0.46%

We sincerely appreciate your business and referrals.

The Market and Presidential Elections⁴

- ❑ It is natural for investors to look for a connection between who wins the White House and how stocks will perform. But regardless of who wins, nearly a century of returns shows that stocks have trended upwards.
- ❑ Shareholders are investing in companies, which focus on serving their customers, growing their business, and making profits no matter what party occupies the oval office.
- ❑ There have been 23 presidential election years since the S&P 500 began tracking with 19 of 23 years (83%) providing positive market performance.
- ❑ Average total returns for all election years is 11.57%, very similar to the average annualized return for all years.
- ❑ Although the president may have an impact on the market, many other factors are at play such as interest rates, energy prices, labor productivity, demographic trends, and technological advances.
- ❑ The bottom line? We should elect to remain disciplined with our investments and keep a long-term strategy in place. Stocks have rewarded investors for decades, through both Democratic and Republican presidencies.

HYPOTHETICAL GROWTH OF \$1 INVESTED IN THE S&P 500 INDEX
1926-2023



1: <https://investors.redfin.com/news-events/press-releases/detail/930/nearly-everyone-with-a-mortgage-has-an-interest-rate-below>

2: <https://www.freddiemac.com/pmms>

3: <https://res.americancentury.com/docs/avantis-monthly-newsletter-intm>

4: <https://my.dimensional.com/how-much-impact-does-the-president-have-on-stocks>