# Leigh Baldwin & Co.

*Investment Brokerage*

Every New Year begins with resolutions, future predictions and forecasts, and a clean slate. As investors, we try to be aware of the daily gyrations of both the economy and the markets, as well as long-term trends. By comparison, a good meteorologist reports on the weather today and for the next five days. A great meteorologist is looking not only at what is currently happening, but also studying major potential trends, like climate change, and making decisions based on a long-term view. To be a great investor then, we believe that you need to combine the fundamental analysis of all current and historical data, with the curiosity and experience to make enduring, multi-year decisions, with a grounded anticipation of the future.

As for the future, it is the time for fresh forecasts. Thanks to our friends at Wealthmanagement.com, we need to be cautious with what the financial media offers in the way of predictions. Based on a study by CXO Advisory Group, the so-called gurus were no better than a flip of the coin, they were worse. From 2005 to 2012, they reviewed 6,584 forecasts from 68 "experts" only to find that on average they were accurate less than 47% of the time. Only 5 of the 68 had an accuracy score above 60%. And no, Jim Cramer was not one of the five (he came in at 47%). Our key take aways are these…First, any market related predictions for the short term are purely for entertainment purposes only. Secondly, we need to make calculated forecasts for our long-term investments, but we also need to build portfolios using concepts like diversity, income investments, risk management, etc. so that we can survive the short-term periods of market volatility that the breathless "talking heads" cannot seemingly get right.

With that said, here is some of our insight as we head directly into 2024. Stocks managed to rebound quite nicely in 2023 and in mid-January 2024, the S&P 500 was able to regain all-time highs from 2 years ago. Even with relatively high US stock valuations, we believe that the economy is strong, strong enough to have a soft landing from recent rate hikes, and that the path of least resistance for equities may be higher for now. During the last quarter of 2023, the 10-year bond (risk free rate of return) had a dramatic fall in rate from a bit over 5% to 3.8%. As we closed out the year, the Fed appeared to be done lifting rates for the time being. While there will most likely be some rate cut by the Fed in 2024, we think just the "idea" of Fed cuts, will give some ballast to both bonds and stocks this year. As for volatility, world events and the upcoming election will most likely cause some market reactions. We again remind investors that Wall Street sometimes reacts counter to what the endless headlines might suggest.

We look forward to working with everyone again this year and for many years to come. Our goal is to become a trusted financial planning and asset management partner that not only guides you, but also helps to manage against those things we cannot control. "Climate is what we expect, weather is what we get" Mark Twain. Thank you for your continued confidence in our firm.

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