

# Stock Market News and Insights

August 5, 2024



## Time to Cool Off Following an Overheated Summer

With the first Monday in August behind us, the stock markets around the world looked to cool off from the fast-paced growth of 2024. Stocks ended down Monday, but did so in an orderly pullback from July highs as fears of a recession reappeared.

On Friday we mailed out our Newsletter with a lot of information that we thought you would enjoy and be helpful. If you haven't received it yet, please remember the postal service has been a little unpredictable recently, but a copy can be found on our website, [ForYourFuture.net/Newsletters](http://ForYourFuture.net/Newsletters).

***Yes, this is a Slowdown scenario, Not a Recession scenario.***

This morning Dr. David Kelly, chief Global Strategist at J.P. Morgan, echoed that thought and shared the data which supports this:

- Stable economy
- Very strong corporate balance sheets
- Good employment growth
- Real wage growth
- Fine consumer fundamentals

Our mailed newsletter contains an article entitled "Mega-Cap Stocks Shine, But Too Concentrated?". The article highlights the risk of the fast growth seen from a select number of stocks, known as the "Magnificent Seven". And today, August 5th, those stocks lost roughly \$800 billion in value as the markets adjusted. It was an orderly pullback and rather calm as investors moved away from riskier assets. Last week we received notice that inflation has decelerated, and over the past month, we have experienced a slowdown in growth in our economy.

Over the past year we have been talking about our economy slowing down and the importance of having a balanced and well diversified portfolio, and rebalancing regularly to ensure your exposure to sectors and individual companies remains within the desired range. This is already part of our investment discipline at Financial Consultants Group. Remember, in a diversified portfolio, you will almost always see variance – some strong performers, and some weak ones. The outliers tend to neutralize each other's impact on portfolio returns over long stretches of time, leaving the middle-of-the-road stocks doing the heavy lifting.

This article from Mitch on the Markets may provide you with additional insight and confidence.

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[Link to Article](#)

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As always, the team at Financial Consultants Group is available to answer any questions you may have.

Sincerely,

David Fountain and your team at Financial Consultants Group

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The image features the Financial Consultants Group logo on the left, which includes a circular design with the text "WORKING TOGETHER FOR YOUR FUTURE" and "FINANCIAL CONSULTANTS GROUP, INC. ESTABLISHED IN 1996". To the right of the logo is a photograph of six people (three men and three women) standing together indoors. Below the photo are several blue and yellow award ribbons for "BEST OF FORSYTH" for the years 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023, and a larger blue and yellow award ribbon for "BEST OF GEORGIA" for 2023. On the left side of the photo, there is contact information: "Main Office 1080 Sanders Road Suite 300 Cumming, GA 30041", "Alpharetta Office 12600 Deerfield Parkway Suite 100 Alpharetta, GA 30004", the phone number "(770) 627-2121", and the website "ForYourFuture.net".

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