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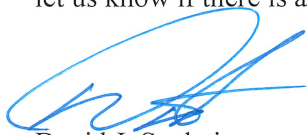
July 8, 2022

This is a quarter and a year that makes you reach the end of the reporting period and say, "I sure am glad that's over!" History would say that after a first half of the year like the one we have had, we are ripe for a second half rally. If you follow the markets, you already know this was the worst first half for the US stock market since 1970. It has been 52 years since we had this poor of a start to the year. What that headline doesn't tell you is that in the second half of 1970, the market was up 27.5%. Will that happen this year? Time will tell. I am inclined to think the second half will be better than the first.

We are already seeing significant declines in commodities. Lumber, Copper, Oil and others are all down from their highs. This is what inflation looks like when it starts to roll over. The Fed has gotten exactly what they wanted. They have talked and markets have listened, and they have had to do little when it comes to raising rates. I anticipate further tightening, but not to the extent that they have suggested. Once they say they are done, the market will start looking ahead and that will be when you see stocks start to recover significantly. We have only had bad news for the last 6 months. It is time for some unexpected, good news and that news will come. We just don't know when.

Will there be a recession? Are we already in one? We will know six months after the recession ends and even though all the indicators are not flashing red right now, I think we are likely in a recession. Recession is a normal part of the economic cycle and not something to panic about or try to avoid owning stocks through. This natural part of the cycle will set the foundation for the next leg of growth when we come out of this downturn. The market will hit higher highs and higher lows in the next cycle. It is healthy and exactly what we anticipate in the financial plans we create.

If you have never had a plan created and are open to the process, please let us know. It is included with the service we provide and when the market is volatile it can provide tremendous comfort during the storm. Just let us know you are ready, and we will respond right away. Enjoy the summer and please let us know if there is anything you need from us that we have not provided to you.



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