



The 3rd quarter of 2022 has brought about much change, but in many ways, we are still in the same place. The Federal Reserve raised the yield on interest rates twice this quarter—the current rate is now 3.0-3.25%. The interest on newly issued bonds and CD rates have surged and are up significantly for the year. This, in turn, has led some money to leave the stock market and flee to the more stable and predictable nature of those fixed assets.

**Market Summary
As of September 30th, 2022**

S&P 500:	3,585.62
Dow Ind.:	28,725.51
Nasdaq:	10,575.62
10 YR Treas.:	3.829%

All of this resulted in some extreme volatility in the markets. Looking back, the S&P 500 had a horrible month of June—down 8%. July had a nice rebound, regaining most of that loss, putting us only 12 points (less than a percent) behind the start of the quarter. August and September have followed suit—very volatile with the latest momentum leaving us near the lows that we experienced in mid-June. There is a lot of uncertainty in the markets today—no firm idea of when inflation will peak, or if it has already. However, the jobs market remains strong. The war in Ukraine has led to much higher food and energy prices in Europe with a recession there all but certain. The zero COVID policy in China is still turning off parts of their economy for weeks at a time, creating supply chain shortages worldwide. 30-year mortgage rates are above 6%, and home values have declined for the first time in quite a while. We have been dealing with a lot of negative headlines, especially in the last 3 months.

What does this mean moving forward, especially with the upcoming election in November? Expect a lot of uncertainty and volatility. The fed will likely raise rates 2-3 more time(s) this year, leaving the rate around 4.0-4.25%. Home values may fall slightly, but we don't see any kind of bubble forming that would lead to a steep decline in home values like back in 2008. Economists feel that mortgage rates should stabilize between 6-6.5% in the near term—still historically very low, even if higher than in the recent few years. Due to the constricted housing supply, new homes will still be built but they might be slightly smaller than those built in the last few years.

The wild card is still inflation. Once it tamps down (which we feel should be at some point next year), the market should rebound slowly, gaining back some of the losses we have sustained. In the meantime, if you have money in the markets, leave it alone or consider rebalancing to take advantage. Selling now will only lock in losses—corrections like this are normal and healthy. Our approach to investing is long-term, and timing the markets rarely works. If your situation or risk tolerance has changed be sure to contact us for a review. As always, we are here to guide you through the good times and the bad.

Why having fun is the secret to a healthier life

https://www.ted.com/talks/catherine_price_why_having_fun_is_the_secret_to_a_healthier_life

This article talks about fun, and how it is essential for life. Science journalist Catherine Price proposes a new definition of fun -- what she calls "true fun" -- and gives advice on how to incorporate into your everyday life.

Would you pass the wallet test?

https://www.ted.com/talks/ted_ed_would_you_pass_the_wallet_test

Picture this: you're working a shift in a hotel lobby when someone approaches the front desk. They found a lost wallet around the corner, but they're in a rush and don't have time to follow up. Looking at the wallet you see it contains a key, grocery list, about \$13, and three business cards you assume belong to the wallet's owner. So, what do you do? Dig into the infamous lost wallet experiment. [Directed by Maryna Buchynska, and action creative agency, narrated by Jack Cutmore-Scott, music by Jan Willem de With].

Please join us at our outdoor Halloween movie event at our Rochester office location on Saturday, October 15th starting at 6:30pm. We will have pumpkins to take home for those who join us (first come, first serve) and small refreshments. The movie (the Nightmare Before Christmas) will take place outside, so please dress accordingly! We look forward to seeing everyone there—bring your friends and family as well!

Thank you and take care-

Ps. Check out our website for great tools and education! www.northstarfp.net



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S&P 500: The Standard & Poor's (S&P) 500 Index tracks the performance of 500 widely held, large-capitalization US stocks. The Barclays US Aggregate Index covers the dollar-denominated investment-grade fixed-rate taxable bond market. The Morgan Stanley Capital International Europe, Australia, Far East (MSCI EAFE) Index is a capitalization-weighted index that tracks the total return of common stocks in 21 developed-market countries within Europe, Australia and the Far East. DJIA- A price-weighted average of 30 actively traded blue-chip stocks, primarily industrials including stocks that trade on the New York Stock Exchange Nasdaq- A market-capitalization weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange