



NORTHSTAR

FINANCIAL PARTNERS

January 2023

2022 can be recapped as a wild ride in markets, politics, and geopolitical events. We saw inflation peak at over 9%, Russia invaded Ukraine, negative GDP in two quarters, China struggled with Covid. We saw supply chains improve, travel soared, restaurants full and jobs readily available. We saw market volatility in stocks and bonds. We saw higher interest rates and the positive and negative effects that come along with that.

We are seeing CD and money rates above 4%. Remember when you could get paid on cash? It's been nearly 15 years since we have seen rates this high. The Federal Reserve is still increasing interest rates and likely won't be done until the end of 2023. However, bonds are already pricing this in.

There is no doubt the job market is beginning to soften, but most economists see this as a mild slowdown. Will it get to the level of a recession? The past two recessions, 2020 and 2008, are burnt into our memory due to the pain they caused. However, recessions can be and are often mild, if we see one in 2023 it will be of the mild variety. We believe the markets are already pricing this in.

It is important to recall the words of Sir John Templeton in times like these: "Bull markets are born in pessimism, grown on skepticism, mature on optimism, and die on euphoria." 2023 could look a lot like 2009, where we saw a lot of bad economic data and pessimism. If we think back, many of us would not recall 2009 fondly, but if we look at the data from that time of pessimism, it started a 10 plus year bull market in March of that year. Is there opportunity ahead in 2023? We think so.

Wishing you and your families a healthy and prosperous 2023!

This is the time of year that we make New Year's resolutions and set goals and make plans for the coming year. Here is a helpful video:

<https://blog.ed.ted.com/2015/01/07/10-ted-ed-lessons-to-inspire-your-new-years-resolutions/>

Need some inspiration and motivation for 2023? Have a look at this TED talk:

https://www.ted.com/talks/ross_cunningham_how_motivation_drives_success A young guy tells of motivation to achieve a goal- a great ending.

Market Summary As of 12/31/22

S&P 500:	3,839.50
Dow Ind.:	33,147.25
Nasdaq:	10,466.48
10 YR Treas.:	3.88%

Save the Date!

PAPER SHREDDING EVENT



MENDOTA HEIGHTS: MAY 6TH 9-11AM
ROCHESTER: MAY 13TH 9-11AM

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