



NORTHSTAR

FINANCIAL PARTNERS

April 2023

As we move into 2023, some signs of weakening have appeared in the economy. Some companies are cutting jobs (mostly in the technology sector), new home construction has slowed (due to mortgage rates being near 7% for a 30 year mortgage) and savings rates for individuals have slowed. While this was anticipated with the Federal Reserve raising interest rates almost 5% over the past 15 months, there have been some unforeseen consequences as well. A few banks that were improperly situated have failed, leaving many to question the banking sector as a whole. As of late, the economists that we follow think that this will be very compartmentalized to a few regional banks, and that the larger banks will weather the storm.

Market Summary As of 3/31/2023

S&P 500:	4,109.31
Dow Ind.:	33,274.15
Nasdaq:	12,221.91
10 YR Treas.:	3.4940%

The stock market has been fairly volatile this year, with January rebounding strongly from December's losses, (especially in the tech sector where sharp losses were seen in 2022) losses in February, and slight gains in March—leaving the S&P 500 up only slightly for the year. Even more volatile have been the bond markets, with yields on the 2 year and 10 year bonds swinging somewhat wildly at times. But the big question is: where do we go from here? The general consensus is that the Fed will raise rates once more in May, leaving the overall rate at 5.0-5.25%. That rate should remain there for a period of time, to work the current inflation that has been so persistent out of the picture. While this is not great for people who are looking to buy a new home or borrow for a loan, it should help stabilize the ever-increasing price of goods and wages that we have seen over the last 18 months. This, in turn, should help the markets over the 2nd half of the year—though a couple of variables could still influence the markets one way or another (debt ceiling debate, Ukraine war). Our investment view is still long term focused even in these murky times. This is an opportunity to verify your risk tolerance and overall objectives with your advisor.

Home prices, which have declined substantially in past periods of downturn in the markets, should remain stable, with only slight decreases in lower or moderately priced homes. Why is that? There simply is not enough houses on the market to push home prices lower. With many people currently in mortgages at or below 4%, it is difficult for them to upgrade their living situation, or venture into a newly constructed home. Larger markets like New York, Miami, and Los Angeles may see some steep declines in their upper echelon homes, but overall housing markets in the upper Midwest should remain steady.

If you have questions, or your financial situation has changed, please don't hesitate to contact us or to set up a meeting. We want to make sure that our clients feel comfortable in changing financial markets—we are here to help.

How do our behaviors effect our confidence? This [TED talk](#) gives ideas on what a person can do to gain confidence in the workplace.

Are you familiar with the latest in the REAL ID extension? This [webpage](#) gives the latest from the Department of Homeland Security.

Have you gone paperless yet? Here is a link to next steps you can take to reduce the amount of documents that you get from us in the mail. More details [here!](#)



The flyer features the NorthStar Financial Partners logo at the top center. The main title 'SHRED EVENT' is in large, bold, teal letters. To the right is an illustration of a hand in a suit sleeve placing a document labeled 'CONTRACT' and 'CONFIDENTIAL' into a shredder. Below the title, two event dates are listed: 'MAY 6TH' and 'MAY 13TH', both from 9AM-11AM. The locations are 'Mendota Heights Office' and 'Rochester Office'. A central ampersand separates the two events. To the right of the dates is a call to action: 'Ready to do some spring cleaning? Let us help you get rid of those old documents! NorthStar Financial Partners is partnering with a local company, Shred-It, where documents will be shredded on site!'.

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FINANCIAL PARTNERS

SHRED EVENT

MAY 6TH
9AM-11AM
Mendota Heights Office
2303 Waters Drive
Mendota Heights, MN 55120

MAY 13TH
9AM-11AM
Rochester Office
959 34th Ave NW
Rochester, MN 55901

Ready to do some spring cleaning? Let us help you get rid of those old documents! NorthStar Financial Partners is partnering with a local company, Shred-It, where documents will be shredded on site!

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