

NORTHSTAR

FINANCIAL PARTNERS

April 2024



Happy Spring! We hope that you had a great Easter holiday and enjoyed the beginning of 2024. This year has had quite the start for the markets with some significant gains to start the year. That being said, with differing opinions of financial analysts out there, we could be due for a pull back and some volatility, in the short-term, which is natural in strong markets. It does, however, highlight the importance of risk management and portfolio diversification.

Market Summary As of 3/31/2024

S&P 500:	5,254.35
Dow Ind.:	39,807.37
Nasdaq:	16,379.46
10 YR Treas.:	4.20

Interest Rate Outlook: Navigating Monetary Policy in Uncertain Times

One of the key factors influencing stock market trends in 2024 is the outlook for interest rates. Central banks across the globe are grappling with the challenge of balancing economic growth with inflationary pressures. As we approach the presidential election, the Federal Reserve faces crucial decisions regarding monetary policy. While accommodative measures have supported the economic recovery out of COVID, concerns over inflationary pressures have prompted speculation about potential interest rate cuts. At this time, we are anticipating between 1-3 interest rate cuts in 2024, with the earliest one taking place no sooner than June or July.

This will affect not only the stock market returns for the year, but especially mortgage rates for those people looking to either buy or sell their homes. Although current rates are not too far from the historical averages, the lower rates in 2019-2021 have locked people into their homes, limiting the inventory for other buyers. We hope that this abates as we head through the year, but there is a lot of uncertainty on how this will pan out. This uncertainty will be one of the factors that may lead to some volatility in the markets over the next few months.

Stock Market Heading into the 2024 United States Presidential Election

As the 2024 United States presidential election draws closer, we are evaluating the potential impact of political developments on the stock market. As of today, it looks to be another repeat of the same candidates in 2020. That being said, the focus of the election now has shifted much more to immigration, inflation, pro-life/pro-choice, and social spending. While we have no opinion on who may win the race, historically the markets trend higher after the election no matter which side wins, due to the knowledge by the market of what priorities the winning party will spend on for the following period of years. We keep this in mind when developing our portfolios—we diversify for reasons such as this, to protect against risk of overcrowding into one particular sector.

We greatly value our relationship in working with you and want to stay apprised of all that is happening with our clients. If you have had any recent changes, please let us know so we can keep using our expertise to do the best job for you. Also, if you have any questions, or have any referrals please do not hesitate to reach out.

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With all of the different entertainment / Streaming services out there today, which is better cable or streaming? <https://www.cnet.com/tech/home-entertainment/streaming-services-vs-cable-battle-budget-which-one-saves-you-more-money/>

Looking to disconnect and concentrate on yourself for a bit? Here is an article that could help: <https://www.verywellmind.com/best-meditation-apps-4767322>

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Our shredding event is coming up— bring all of your unneeded sensitive documents, old taxes, and other paperwork to get rid of! We hope to see you there (and bring friends)!!

This is a free event and open to the public.

At our Rochester Location, the event will be on May 4th from 9-11am.

At Mendota Heights, it will be on April 27th from 9-11am.

The NorthStar Team



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