



The Wheels Keep Grinding Forward

Written by: Drummond Osborn & Robert Laura

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Did You Know? Friendship

Winnie the Pooh was named the Ambassador of Friendship by the United Nations since 1997.

People usually have no more than two “best-friends” at one time.

In a lifetime, you make 396 friends, but only 1 out of 12 friendships lasts.

Animals make friends too: Studies have shown that animals can form lifelong friendships with other animals, even if they’re not from the same species. So far, the research has focused on chimpanzees, baboons, horses, hyenas, elephants, bats & dolphins.

A 1993 Oxford study found that each individual is only capable of maintaining a certain number of social relationships at any given time. Anthropologist Robin Dunbar estimated the limit for simultaneous friendships at around 150. That is until social media came into the picture.

Love costs you friends: Research says that when you gain a new romantic partner, you may lose two of your closest friends. The simple reason is that more time is being spent with your lover than your old friends and thus creating a decidedly smaller inner circle.

Source: Huffpost.com



The U.S. stock market rallied once again in June, closing out a solid second quarter, and a strong first half of the year. For the month of June, all three major indices gained ground. The tech-heavy Nasdaq led the pack with a June return of nearly 6%. The S&P 500 and Dow gained 3.5% and 1.1%, respectively. For the first half of 2024, the Nasdaq popped 18.1% as the AI craze continued to capture investor excitement. The broad-based S&P 500 jumped 14.5% for the first six months of the year, while the blue-chip Dow lagged with a gain of 3.8%.

Big tech has certainly driven the markets and grabbed the headlines, but we don’t foresee a Teck-bubble repeat. We do anticipate the current stock market leaders will grow weary at some point, and slow their growth. In 2023 the top 10 stocks carried 67% of the S&P 500’s total return. So far, in 2024, 71% of the index return is from just 10 companies, with only 5 of 11 sectors in the black for the most recent month and quarter. We think the US stock market is primed for this concentrated growth to broaden, and expect that when that broadening time comes, the shift will be swift. For this reason, we see importance of portfolio diversification to include non-tech market sectors, such as industrials and utilities. After all, AI related companies need basic supplies to build their infrastructure and require power to run their server farms.

Bonds markets remain on Fed watch, just waiting for that first rate drop to happen. But they are equally – and apolitically – keeping an eye on future policy effects on the US deficit. Without leaning right or left, neither party’s presidential candidate scores high for economic policy plans, and whoever does call the White House home next year, will inherit a huge deficient built by Congress’ of both parties. The combination of limited meaningful policy proposals and maximum deficit exposure contributes to the current higher for longer rate levels . . . rates which are attractive to investors. As such, we continue moving short-term money market cash into fixed income. As each client’s portfolio may differ, fixed income takes various forms, from high yield bonds to preferred stocks.

Inflation has moved lower by nearly two-thirds, and current wage growth outpaces current inflation, but data is starting to show a slowing economy – unemployment rising, housing starts falling. This relative softness cannot be confused with absolute economic weakness, as growth levels remain healthy, overall. We continue to believe our Federal Reserve has engineered a soft landing from our hemispheric recent rates of inflation. Growth forecast may be lower, but growth is still forecast as being positive.

Our foundational beliefs in dividend growth stocks and portfolios built on multiple asset classes, has portfolio performance trailing the headlines, where the “Magnificent 7” group accounted for essentially all of the S&P 500’s second quarter return. Clients can find many of those same companies within portfolios, but not in highly concentrated amounts.

Summer is typically a quiet time in the investment markets, though short-term volatility will certainly ramp up as political conventions anoint their candidates, and Federal Reserve Governors watch the data as they direct interest rates. All the while, we’ll guide portfolios to take advantage of a stock market, we see grinding higher, and interest rates we feel with drift lower before year-end.

Trivia

1. In the Harry Potter series, what is the name of Hagrid’s pet spider?
2. What color dresses do Chinese women traditionally wear on their wedding day?
3. What sport is referred to as the “The sport of kings”?

Maintaining a proper mindset

For many, longer days and warmer temps creates a calmer spirit. And for pre-retirees, it can also provide an opportunity to “practice retirement.”

What if your week-long vacation were an unending retirement? What if your focus on family and friends, exceeded your fretting about finances? There will certainly be those who splurge on their vacation spending, but for most individuals vacation is about shifting attitudes and activities; exchanging suits for shorts, exiting board rooms for back yards, and ignoring assembling lines in favor of extra inning ball games.

Use time away from work, in the summer months, to test your mindset for new reality of retirement. After all, practice does make perfect.

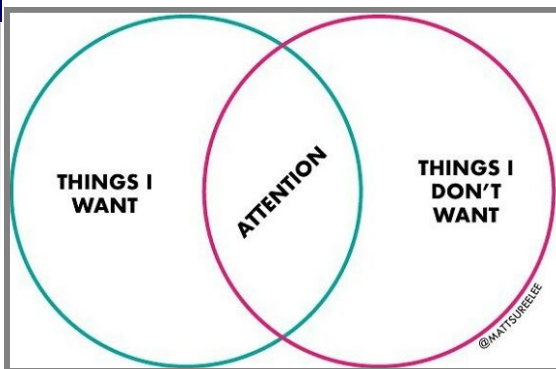
So, what’s your plan for practicing retirement this summer?



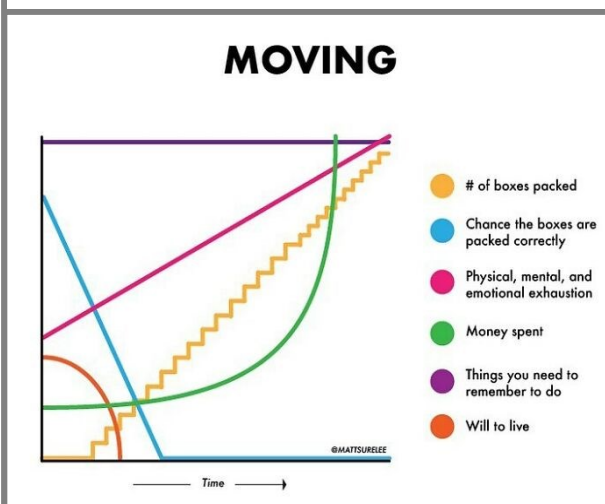
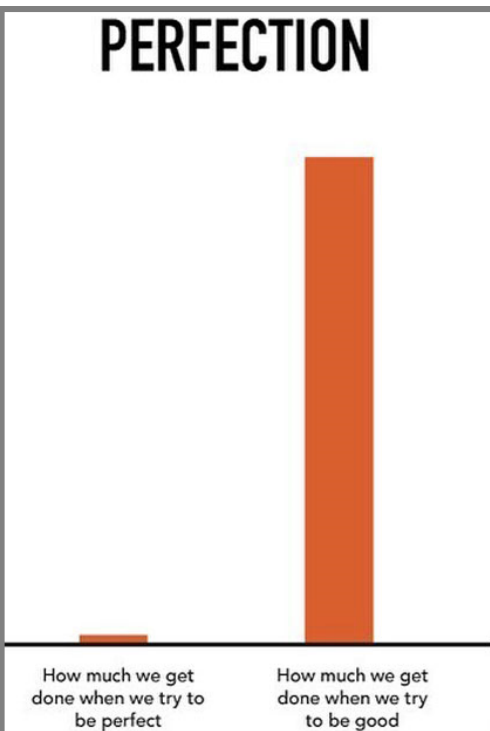
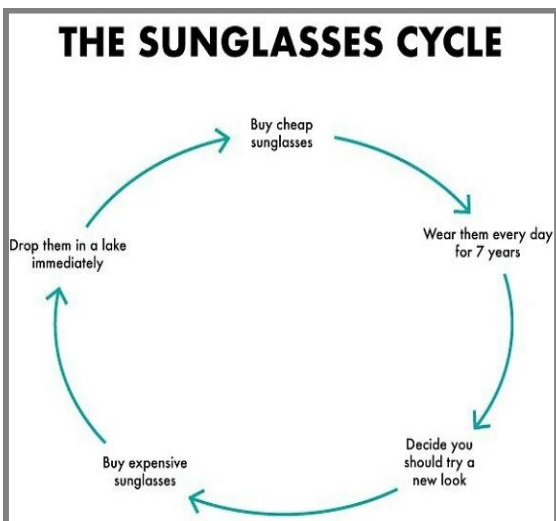
Drummond Osborn, CFP® RICP®

OSBORN Wealth Mgmt
912 Michigan Ave LaPorte, IN
(219) 362-8567
ddo@osbornwealthmanagement.com

Putting Everyday Life Into Perspective With Charts



Matt Shirley is a visual genius and a master of social insight. His creative and hilarious charts have been gracing social media sites for years. They are quirky, funny, and incredibly relatable.



Trivia Answers

- 1) c) Aragog
- 2) d) Red
- 3) d) Polo

Source: Travelswitelle.com

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