



Soundings

What's New - January 2024

Quote of the month:

"The beginning is the most important part of the work." Plato

Happy New Year everyone! I hope your 2023 was everything you'd hoped for and more. A new calendar brings new opportunities for us all. Problem is, as Thomas Edison noted, "Opportunity is missed by most people because it's dressed in overalls and looks like work." It often begins by setting a goal or two. Something to strive for that takes some effort but is worth it in the end. Whether it's health, personal or professional development, financial, or anything that's meaningful to you, it's best to write it down and share it with someone important to you. As for me, along with the usual suspects, I'm going to strive to spend less time in the Emergency Room.

The financial markets defied all predictions in 2023 and did their best to embarrass nearly all the prognosticators. It's a good lesson as we step into 2024. What's next is unknowable. It's probably best to live out our version of the serenity prayer. Accept the things we can't control, have the courage to change the things in our power, and have the wisdom to know the difference. That said, when it comes to investment management, our philosophy mirrors the recent comments of Art Huprich, Chief Market Technician at Day Hagan Asset Management, "overweight statistical probability and underweight emotion."

You may have heard about the epidemic of loneliness. In a general advisory issued last May, U.S. Surgeon General Vivek Murthy noted, "loneliness and isolation increase the risk for individuals to develop mental health challenges in their lives, and lacking connection can increase the risk for premature death to levels comparable to smoking daily." In this month's *Market & Economic Commentary*, I've placed a piece from Wall Street Journal columnist Clare Ansberry, which offers some help. It's a fascinating primer on how to make and foster friends and friendship. Important stuff, particularly for those in or approaching retirement. First, the numbers...

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Market Update - Year to Date Returns

Major Indexes

As of January 1st

Dow Jones Industrials	13.7%
S&P 500 Index	24.2%
NASDAQ	43.4%
MSCI ACWI ex US (International)	12.7%
Russell 2000 (small cap index)	15.1%
Barclays Capital Aggregate Index (Bonds)	5.5%
XAU (gold/silver)	4.0%

D.A.L.I. Signals - 01/01/2024

U.S. Stocks	Int'l Stocks	Commodities	Cash	Currencies	Fixed Income
295	251	213	146	99	82
27.2%	23.1%	19.6%	13.4%	9.1%	7.6%

Source: Nasdaq Dorsey Wright

- Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect investment performance. Individual investor's results will vary. The Dow Jones Industrial Average (DJIA), commonly known as the "Dow", is an index representing 30 stocks of companies maintained and reviewed by the editors of the Wall Street Journal. The S&P 500 is an unmanaged index of 500 widely held stocks that's generally considered representative of the US stock market. The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ market. The MSCI ACWI ex US is a market capitalization-based index designed to provide a broad measure of stock performance throughout the world with the exception of US based companies. The Russell 2000 index is an unmanaged index of small cap which generally involve greater risks. The Philadelphia Gold and Silver Index (XAU) is an index of sixteen precious metal mining companies that is traded on the Philadelphia Stock Exchange.
- The Barclays Capital Aggregate Index measures changes in the fixed rate debt issues rated investment grade or higher by Moody's Investors Service, Standard & Poor's, or Fitch Investors Service, in that order. The Aggregate Index is comprised of the Government/Corporate, the Mortgage-Backed Securities, and the Asset-Backed Securities indices.
- DALI is a proprietary matrix created by Dorsey Wright & Associates, an independent 3rd party. It presents the relative strength relationship of six broad asset classes or "teams", domestic equities, international equities, commodities, fixed income, cash, and currencies. Each are represented by an equal number of ETFs. Each team play against each member of the other teams, with net victories tallied in an effort to rank each asset class team by order of overall strength. Raymond James is not affiliated with and does not authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website's users and/or members.
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Market & Economic Commentary

Many of us worry that we don't put in enough time to maintain close friendships. But how much is enough? As we trek further into adulthood, many of our friends fall away. It's understandable: Family and jobs become more demanding and free time more limited. We may want to meet a close friend for coffee or dinner, but our calendars are full with work, must-do appointments, meetings or kids' activities. About 88% of U.S. adults said they have lost touch with a close friend at some point and 71% would like to rekindle their relationship, according to a 2020 survey by Snap, the parent company of social-media platform Snapchat. Four in 10 Americans said they didn't have a best friend at all, up from 25% in 1990, in a 2021 poll by the Survey Center on American Life, and we are spending twice as much of our free time alone. It can be logistically tough to maintain friendships, but it's good for us physically, mentally and emotionally. Good friends help get us through difficult times and without them, we risk loneliness and isolation. Research on the science of friendship does offer some insights that can help you maintain friendships. Among the lessons: Be realistic about how many good friendships you can reasonably maintain. Intimate conversations build closeness faster than casual chitchat. And setting routines, like weekly phone calls, or prioritizing an annual weekend getaway with friends, helps to keep bonds strong.

Unfortunately, there's no magic formula for how much time you need to spend on your friends to keep them. People can generally maintain 3 - 5 close friendships, says Beverley Fehr, a social psychologist at the University of Winnipeg. Beyond that, "there just isn't enough time and energy to go around." Forming a friendship in the first place takes a certain number of hours of being together. We need between 40 and 60 hours together for an acquaintance to become a casual friend, according to a study by Jeffrey Hall, professor of communication studies at the University of Kansas. In order to move from casual friends to close friends, you need to spend an additional 140 to 160 hours together. However, deeper interactions can accelerate that timeline. You can form a close bond in less than 200 hours, Hall says, with meaningful conversations and a willingness to be vulnerable.

When it comes to maintaining friendships, it's not just the number of hours spent together, but what we do that matters, says Hall. Engaging in passive activity with friends—like watching a Netflix series—is fun and enjoyable, but it doesn't do as much to maintain friendship as having deep conversations, sharing feelings, and being a good listener. In another study, Hall collected diaries of 127 people across a seven-day period and found that routinely checking in with people we choose to connect with, through calls and texts or in person, helped maintain relationships and led to higher scores of positive feelings, like happiness. Arthur Aron, a research professor in the department of psychology at Stony Brook University, developed a procedure to study interpersonal closeness in the lab. Researchers provided pairs of strangers three sets of increasingly personal questions. For example, they might start with "When did you last sing to yourself?" and progress to "When did you last cry in front of another person?" They found that strangers in this Fast Friends study could establish interpersonal closeness in 45 minutes. The takeaway was that sharing things about yourself can lead to close friendships. Once that closeness is established, Aron says that some ways to maintain closeness are supporting friends when things go wrong for them and celebrating their achievements.

We generally don't need help to maintain friendships with our one or two best friends, says sociologist Jan Yager, who researches friendship and has written several books on the subject. She frequently texts or calls her best friend from college, who lives about three hours away, and sees her once or twice a year, meeting halfway for dinner and a movie. Keeping in touch with her best friend is ongoing, natural and a priority. "If you aren't making time for a close friend," she says, "it might be saying something about that friendship." Fehr, the Winnipeg professor, says she recently celebrated the birthday of a close friend who had moved to British Columbia, over a Zoom call. Connecting online can be helpful in keeping in touch, but in-person meetups can be less prone to falling through. "We are more likely to actually follow through if we made a commitment to see a friend in person," she says.

Clare Ansberry, "It Takes at Least 200 Hours to Make a Close Friend.," The Wall Street Journal, January 2, 2024.

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On a Personal Note

From Sandy: Well, I made it through December and want to thank all of you who reached out to me with cards, calls, visits and prayers after learning of my husband's passing in last month's Soundings. I was truly blown away by your love; it meant more than you'll know. Love and hugs back to you all and best wishes for a wonderful New Year.

From Collin: For the past three years, my apartment in downtown Pensacola was one of my happy places. Built in the early 1940s, it stood across the street from a home where my great grandparents once lived, was a two-minute walk to my favorite watering hole, and had enough charm to make me seem like a reasonably successful adult. My neighbors were nice, rent was cheap, and my landlord had become a friend. I was content and really couldn't see myself leaving unless something unexpectedly special came along. Enter Jackie and her 3-year-old Australian Shepherd, Birdie. With both of our leases coming up for renewal in January, we decided to make a major move, pool our resources and rent a home together in the East Hill neighborhood of Pensacola. Like most people, the hassle of moving doesn't bring about the best emotions. It's always stressful going from the known to the unknown and for the past 4 years, my known had been simple as a single guy in a bachelor pad. I'll admit, I was a little anxious at the thought of a really big change in lifestyle. But as usual, my anxieties proved to be un-founded. On Christmas evening, as the three of us sat in our nearly-put-together living room, I couldn't help but think what my next move into the unknown might be. Gratefully, I have a pretty solid partner to help navigate whatever comes next.

From Jon: My mom flew up for the Christmas holiday and the three of us joined Collin & Jackie for dinner in Pensacola. It was our first get together since they decided to make the big move and "shack up". The conversation flowed playfully back and forth, from the timely subjects of furniture arranging, decorating, and closet territory, to the more professional topics of healthcare and finances. We even talked about Collin's name. But when it landed on spirituality, my interest really piqued. Collin and I are quite open with our client family about faith. We always note we're not judging, just curious about an important subject that helps us to be our best coach and counselor. We've loved Jackie since our first encounter and hoped that her relationship with our second-born would continue to move forward. In past get-togethers, we'd never breached two of the big-three topics, politics and religion. But at dinner, Jackie brought up spirituality, and how she'd like them to get more involved. I tried to keep a poker-face, but I will admit that I had tears of joy on the inside. The following morning, Kathleen said the same. Relationships are tough stuff, especially between two busy professionals with so many irons in the fire. But we share the belief that a foundation of solid faith can be one of best ways to stack the deck on the plus side. It's certainly unlikely to hurt.

There are no other words...it was a blood-bath. Like a champion Gladiator stalking her opponents in the arenas of ancient Rome, the woman methodically tore us apart. Thank goodness for us, it wasn't blood-sport, but a friendly game of Scrabble at our dining room table. Our savage and cunning opponent was my soon-to-be 83-year-old mom sitting to my right. Cunning isn't really the right word. It was pretty obvious she felt guilty about our helplessness and continually did her best to ease our suffering. Pointing to open spots on the board, she'd ask if we had an "e" or a "p" that might rack up some points in our favor. In the end, her mercy was not sufficient. Not even close. We played two games, got absolutely crushed, and like Apollo Creed in the first (and best) Rocky film, I picked myself up off the canvas and mumbled, "There ain't gonna be no rematch." Of course, there will be, but first, we've got some healing to do.

Until next month, with warmest regards,

Jon, Collin & Sandy

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