



# *Soundings*

## What's New - March 2024

Quote of the month:

*"Sometimes when things seem to be falling apart, they may actually be falling into place." Jim Thompson*

In life and investing, it often pays to be a contrarian. One of my favorite Seinfeld episodes involved George Costanza, who realized that his every instinct in life up to that point had been wrong. Going forward, he committed to doing everything exactly opposite of his natural tendencies. For investors, technical analysis can be an important tool in our belt to help protect us from our inner "Costanza." Coupled with fundamental analysis, it's what cofounder of research firm Dorsey Wright's Tom Dorsey called, playing the piano with both hands.

The markets channeled their inner Costanza last month. Since 1928, the S&P 500 has averaged a loss of 0.07% in February according to research firm Nasdaq Dorsey Wright (NDW). Don't tell that to the S&P 500 and Nasdaq Composite index, each up over 5%. The S&P 500 has climbed steadily for the past four months, driven by supportive economic data, lower inflation and expected interest rate cuts, though there's been some disruption to the trajectory over the last few weeks. The market is currently pricing in June as the Fed's initial interest rate cut and three to four cuts by year's end. Looking forward from a seasonal perspective, since 1960, the month of March in an election year averages a loss of 0.03% according to NDW.

I'll close out this page with a shout out to a couple shiny, new, Nonagenarians. My pop and my favorite mother-in-law are both one decade closer to triple digits. Annie is rocking and rolling, still working part-time in a busy neuro-surgeon's office. My pop is physically strong, but sadly, dementia has taken its toll on his mental state. We love you both. In this month's *Market & Economic Commentary*, I've placed a piece from the WSJ with some tips on staying sharp as we go reeling in the years. It's an interesting read, well worth your time. First, the numbers...

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# Market Update - Year to Date Returns

## Major Indexes

As of March 1<sup>st</sup>

Dow Jones Industrials	3.4%
S&P 500 Index	6.7%
NASDAQ	7.1%
MSCI EAFE (International)	1.8%
Russell 2000 (small cap index)	1.4%
Bloomberg Capital Aggregate Index (Bonds)	-1.8%
XAU (gold/silver)	-14.2%

## D.A.L.I. Signals - 03/01/2024

Dom. Equities	Int'l Equities	Commod	Cash	Currency	Fixed Income
<b>316</b>	<b>256</b>	<b>194</b>	<b>145</b>	<b>94</b>	<b>84</b>
29.0%	23.5%	17.8%	13.3%	8.6%	7.7%

### 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 EAFE (Europe, Australasia and Far East) index is an unmanaged index that is generally considered representative of the international stock market. 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 Bloomberg Barclays Capital Aggregate Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.
- DALI is a proprietary matrix created by Dorsey Wright & Associates, an independent 3<sup>rd</sup> 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

Vernon L. Smith, 97, is a very busy man. The economist at Chapman University just finished writing a book about Adam Smith and works about eight hours a day, seven days a week in his home office in Colorado Springs, Colo. He enjoys chatting with friends on Facebook and attending concerts with his daughter. “I still have a lot of stuff to do. I want to keep at it,” said Smith, who won the Nobel Prize in economics in 2002.

Recent memory flubs by President Biden, 81, and former President Donald Trump, 77, have kindled debate about how to stay mentally sharp into your 80s and beyond. There isn’t a silver bullet to maintaining mental acuity or warding off dementia, scientists of aging say. But a combination of genetics, healthy lifestyle habits and factors such as cleaner air and good education have been linked to prolonged mental agility.

Three of Smith’s grandparents lived into their 90s, and an ancestor on his mother’s side lived to 105. But genetics are a small piece of the puzzle, scientists say. Smith has never smoked, eats healthy food, and is physically active and socially engaged—all behaviors linked to longevity and maintaining mental sharpness into later life. “The healthier you are in the whole body, the better your brain responds to the aging process,” said Dr. David Wolk, a neurologist at the University of Pennsylvania. Cognitive performance peaks in healthy adults in their 20s and 30s, Wolk said. Over time, the brain shrinks, its outer layer thins, deeper regions become scarred, and communication between neurons can become less efficient.

Stay engaged. These brain changes can cause memory, reasoning and other cognitive skills to erode. But some people can stave off cognitive decline better than others, said Yaakov Stern, a neuropsychologist at Columbia University. Their brains might be more resilient to change or have better “cognitive reserve,” the ability to adapt to brain changes, Stern said. Genetics is thought to play a role in brain maintenance, as does diet, exercise and a person’s risk of vascular disease. More education, mental stimulation and social connectivity have been associated with improved cognitive reserve. Better brain maintenance and cognitive reserve might help keep symptoms of dementia at bay. Almost 50% of people 40 and older think they will likely develop dementia, according to a 2021 AARP survey. The actual number of U.S. adults 65 and older with dementia is closer to 10%, a 2022 study found.

Many people don’t know that healthier habits can lower the risk of developing dementia, scientists say. Some 40% of cases globally could be delayed or prevented by lifestyle or environmental changes, including reducing obesity and limiting exposure to air pollution, according to a 2020 report in the medical journal the Lancet.

Try tai chi. Sleeping too little—or too much—can also lead to cognitive problems. Activities including yoga and tai chi, the Chinese martial art, could help improve cognitive function, research suggests.

Hearing loss is a risk factor for dementia, too. Lost hearing might cause the brain to atrophy more quickly and can make people more isolated, said Dr. Dung Trinh, chief medical officer of the Healthy Brain Clinic. Hearing aids can help preserve mental fitness. “Our brain is like a muscle. Use it or lose it,” he said.

Researchers studying “super agers,” people over 80 who have mental faculties of people decades younger, said strong social relationships are important for keeping brains sharp. The same is true for people who live beyond 100, said Stacy Andersen, a behavioral neuroscientist at Boston University and co-director of the New England Centenarian Study. “They have a purpose. They have things they want to go out and do every day,” Andersen said. Smith says his work and his family keep him motivated and driven. “I want to go to at least 106,” he said.

**Dominique Mosbergen, “How to Stay Mentally Sharp Into Your 80s and Beyond,” The Wall Street Journal, 2/15/2024.**

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# On a Personal Note

If you know someone who could use a primer on goal setting, discipline, and focus, I highly recommend, “Living With a SEAL. 31 Days Training with the Toughest Man on the Planet.” The back cover sums it up, “It’s like a buddy movie if it starred the fresh Prince of Bel Air and Rambo.” A highly successful serial entrepreneur and fitness junkie hires a reclusive former Navy SEAL and fitness fanatic, to live with him and train him for a month...the ultimate full immersive experience. I devoured it...dog-eared pages and high-lit like a college student. Here are a few highlights. On a short business trip to Boston, author Jesse realized he’d forgotten to pack extra underwear and told Seal, “I can’t run without underwear.” Seal replied, “Nah, bro, you can’t run without legs. It’s on.” The book is much more than grueling fitness training. Author Jesse Itzler turns it into a memoir, and shares stories of the business’s he’s created, his life with wife Sara (founder of the ladies clothing company “Spanx” and young son Lazer, and of course the life lessons he picks up from his extended *Hell Week*. We get a couple solid lesson from Sara on money, “it’s fun to make, fun to spend, and fun to give away.” She goes on to note it’s also a big magnifying glass. “If you are a good person before you had money...it makes you an even better person. But if you were an asshole before...well then, money makes you an even bigger asshole.” More SEAL-isms, “If you don’t challenge yourself, you don’t know yourself.” “I don’t stop when I’m tired. I stop when I’m done.” Not surprisingly, it was a life-changing month for Itzler. Fitness aside, it changed his perspective, mindset, and outlook on life in general. Great reading, wildly entertaining, with lessons for anyone.

*Crossroad Blues* was recorded by legendary guitar player Robert Johnson in 1937. Made famous by Eric Clapton in the 60’s, Wikipedia reads, “it has become part of the Robert Johnson mythology... referring to the place where he supposedly sold his soul to the Devil in exchange for his musical talent.” I was at a crossroad of my own about 28 years ago. After 10 years in the Navy, I decided to look for a more family-friendly encore. Mother-in-law Annie recently found a long-lost letter I’d sent, with a crude outline of three options I’d been considering. Apparently, I’d sent this letter to give her a heads up on where she might visit her youngest daughter and newest grandson in near future. First option, take a job in pharmaceutical sales and move to where the opportunity presented. Second, start a franchise, join the Navy reserve and stay in Jacksonville, Florida. Lastly, Kathleen would go back to work, I’d stay home with our son, pickup gardening, start drinking cheap beer, and buy a supply of “wife-beater” T-shirts. We’d rent a trailer on the southside of Jacksonville and get a Pitbull. Ultimately, we landed on option one and moved to western Kentucky for the job. Crazy how things work out. We moved next door to a financial advisor which eventually set the next chapter of our lives in motion. The lesson here. Go easy on your kids/grandkids who might not be on the track you’d have set for them. Nearly 30 years ago, your trusted financial planner could’ve lived in a trailer (Not that there’s anything wrong with that).

*From Collin:* For the past few years, a group of long-time friends and I have headed out west for a week of skiing in the Colorado Rockies. This year, Jackie joined us. As a refresher, Jackie is in her final semester before earning her Masters in Nursing, so along with a busy work and class schedule, she has begun interviewing for post-graduation positions. On this trip, she had lined up a zoom meeting with a local (Pensacola) Orthopedic Trauma group. As a Labor and Delivery Nurse for the last 5 years, she didn’t have the “connection” to orthopedics that others might, but having nothing to lose, she took the interview Monday morning. Later that afternoon, after a full day of skiing, we decided to take one more run. After leaving our mark on a black diamond trail, it was an easy traverse on our homestretch when Jackie’s skis zigged and her legs zagged. Diagnostics would confirm a broken tibial plateau in her left leg. A week later, she is doing much better, and thanks to my cousin-in-law Kerrie, an ortho PA on my pop’s speed-dial, Jackie has an appointment this afternoon. It just so happens that it is with the same Orthopedic group that she interviewed with the day she was injured. Talk about a strong “connection” for the job.

Until next month, with warmest regards,

*Jon, Collin & Sandy*

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