IRONWOOD WEALTH ADVISORS
a registered investment advisor
DISCIPLINED WEALTH MANAGEMENT

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Market Update
(all values as of 03.29.2024)

Stock Indices:

Dow Jones	39,807
S&P 500	5,254
Nasdaq	16,379

Bond Sector Yields:

2 Yr Treasury	4.59%
10 Yr Treasury	4.20%
10 Yr Municipal	2.52%
High Yield	7.44%

YTD Market Returns:

Dow Jones	5.62%
S&P 500	10.16%
Nasdaq	9.11%
MSCI-EAFE	5.06%
MSCI-Europe	4.60%
MSCI-Pacific	5.82%
MSCI-Emg Mkt	1.90%
US Agg Bond	-0.78%
US Corp Bond	-0.40%
US Gov't Bond	-0.72%

Commodity Prices:

Gold	2,254
Silver	25.10
Oil (WTI)	83.12

Currencies:

Dollar / Euro	1.08
Dollar / Pound	1.26
Yen / Dollar	151.35
Canadian /Dollar	0.73

Macro Overview: A stronger then anticipated jobs report reduced chances of a Fed rate cut in June as projected by analysts. Strong labor dynamics tend to foster underlying inflation for longer periods of time, thus influencing the Fed's decision on rate decreases. Yields on shorter term U.S. Treasury bonds rose in March as expectations for a spring or summer Fed rate cut dissipated. The Fed signaled that it will likely be appropriate to lower rates at some point this year, with some officials expecting at least three rate reductions in 2024. Markets were anticipating the first rate cut to have occurred in March, yet did not materialize due to the Fed's concern surrounding continued inflationary pressures. Reduced rate cut expectations are consistent with my long-standing forecast – coupled with the belief that inflation is moderating towards the Fed's 2% target. I continue to maintain the outlook of no more than 2-3 quarter point cuts this year – perhaps not occurring until November/December. The economy is healthy, employment is robust and inflation is gradually subsiding – there is no pressing need to cut rates.

A number of central banks worldwide are expected to cut rates starting this summer, before the Fed embarks on its rate reduction plans. Slower economic growth and lessening inflationary pressures are prompting lower rates throughout Europe in order to sustain economic momentum. The European Central Bank, the central banks of England, Canada, Australia, New Zealand, and Switzerland are all anticipated to begin lowering rates this summer and through the end of the year. These trends will likely continued to support a strong US dollar – hence why a portion of our international holdings are hedged against the Greenback.

The Baltimore bridge collapse highlights the fragility of the nation's infrastructure and the need for proactive contingency planning and maintaining diversified routing options. A critical component of the nation's shipping transit, the Baltimore Port is the largest U.S. port by volume in handling farm, construction machinery, and agricultural products.

Florida passed a law this past month that prohibits minors under the age of 14 from having social-media accounts, regardless of parental consent. The legislation is aimed at curbing social-media access for minors and requires social-media platforms to cancel accounts and delete all content on the request of parents and minors. The law is set to become effective and enforceable on January 1, 2025. Should other states adopt similar restrictions, the impact on social-media platforms may pose a challenge – creating implications for advertising driven social-media stocks like Facebook.

Shrinkflation, a term being used more frequently in the press, is when companies sell a smaller or lesser amount of a product, but for the same price. The dynamic has become common from food products to cars, where consumers are getting less yet still spending the same. Sh*tflation is a new term used to described quality ingredients being replaced with subpar or "shi*y" ingredients. One recent poster proclaimed that that their favorite ice cream is now 90% palm oil.

UP NEARLY 3.5% YEAR TO DATE, THE U.S. DOLLAR IS SURGING

Equities Continue Their Advance – Domestic Equity Markets

Many analysts believe that the current equity market is being driven by price momentum rather than earnings expansion. This is a scenario where rising prices fuel additional buying even though earnings may not substantiate it.

The energy and utility sectors were the advancers in March as fuel, natural gas, and electrical costs rose. Technology, real estate and consumer discretionary were sectors that underperformed in March, indicative of a reversal from prior performances this year.

Major international and domestic equity indices are positive for the year thorough the end of March, lifting the value of equities globally. A strong dollar has also contributed to market dynamics as U.S. exports have become more expensive for consumers in other countries.

Sources: Dow Jones, S&P, Bloomberg

Rates Remain Stubborn – Fixed Income Overview

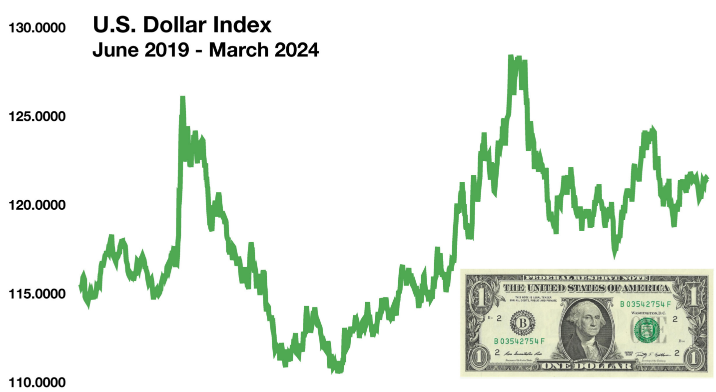
Inflationary pressures and better than expected employment data, pushed rates slightly higher in March, persuading the Fed to hold off on its rate reduction strategy. Short term rates rose as expectations for a spring or early summer rate reduction diminished. Estimates are that the Fed will eventually begin reducing rates towards the fall, contingent on forthcoming economic and labor data.

Rates on a 30 year average conforming mortgage ended March at 6.79%, while the average rate on a new auto loan settled at 8.57% for a four year term. Historically, consumer loan interest rates decline as the Fed initiates a rate reduction strategy.

Sources: Federal Reserve Bank of St. Louis, Treasury Dept., FreddieMac

Strong U.S Dollar Prompts Americans To Travel Overseas – Foreign Exchange Update

A strong U.S. dollar is becoming a decisive factor for U.S. travelers heading overseas. Up nearly 3.5% year to date, the surging U.S. dollar is expected to maintain its value as demand for the greenback remains enduring. When traveling to other countries, an elevated U.S. dollar versus other country currencies, can make a European trip that much less costly. As of the end of March, the Euro is down nearly 8% versus the U.S. dollar, making travel to any Euro denominated country cheaper than the summer of 2021.



Here at home, the strengthening dollar has also made imported goods into the United States more affordable, which become less expensive for American consumers as the dollar rises. These lower import prices help mitigate inflation in the U.S. allowing consumers to spend less on certain goods yet spend more on leisure and travel. (Sources: https://fred.stlouisfed.org/, Bloomberg, Commerce Department)

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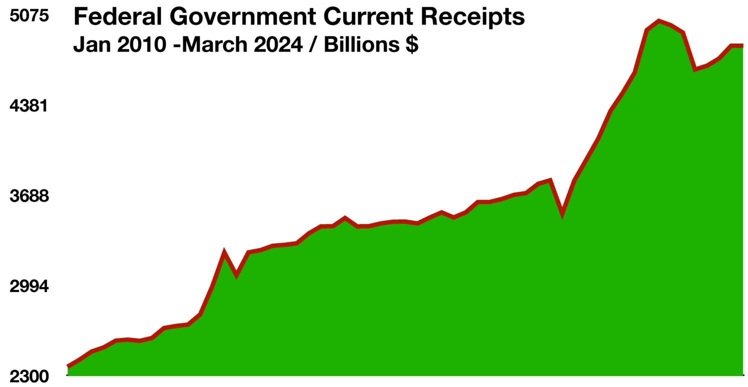
THE AVERAGE TAX REFUND SO FAR THIS TAX SEASON IS $3,050

Average Tax Refund For 2024 Tax Season Larger Than Last Year – Tax Policy Update

The 2023 tax season, which began January 23, 2024, has so far seen over 90 million federal tax returns filed as of the end of March. The IRS tracks and monitors the number and status of returns in order to estimate tax revenue and filing timeliness. Refunds are also tracked, projecting the amount of funds owed to taxpayers. Through the end of March, there had been over 60 million refunds issued to taxpayers, with an average refund in the amount of $3,050. IRS data also reveals that the average refund so far this year is roughly 5% larger than it was for tax year 2022.

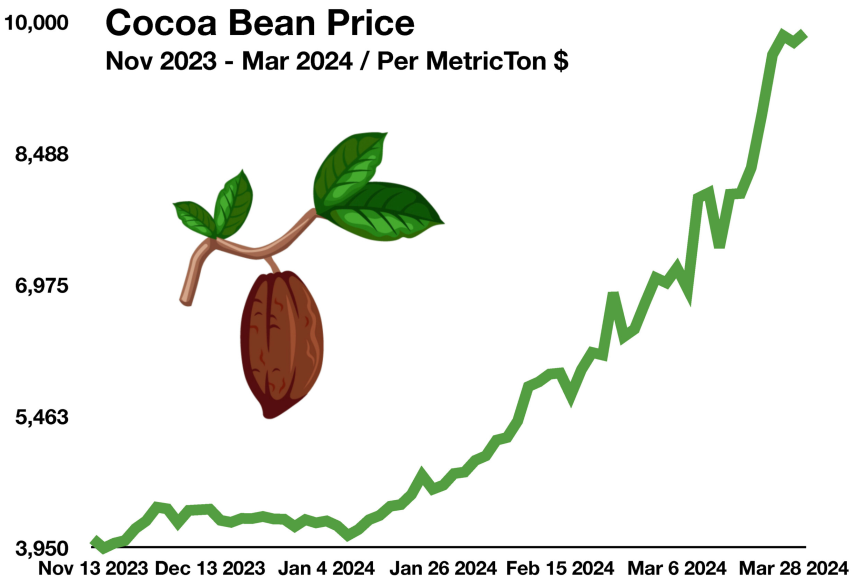


In tax year 2022, the Federal Government collected more than $4.9 trillion in total receipts, processed over 262 million returns and issued more than $641 billion in tax refunds. Budget estimates from the Federal Government, project an estimated $4.8 trillion in total receipts for tax year 2023.

Sources: IRS, CBO, Whitehouse.gov

Chocolate Is Getting Expensive – Commodity Overview

Weather and crop disease in geographic regions where cocoa beans grow, have hindered crops and stricken supply leading to elevated chocolate prices. Cocoa beans surpassed $9,000 per metric ton in March, the first time ever, with cocoa bean prices more than doubling from the beginning of the year.



West Africa, where most of the world's cocoa beans are grown, has been hit with poor weather and crop disease, dramatically curtailing cocoa bean production, which affects the production of chocolate globally. The limited production is expected to linger for some time, directly affecting the price of chocolate and its production. Higher sugar prices have also been a challenge for chocolate producers, who use the sweetener as an essential ingredient when making chocolate confections.

Sources: Federal Reserve Bank of St. Louis

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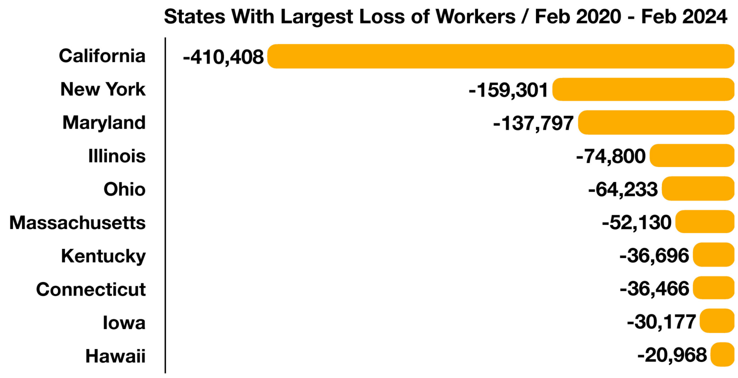
AVERAGE PRICE OF A GALLON OF REGULAR GASOLINE ROSE TO OVER $3.50 IN MARCH

Some States Continue To Lose Workers After Pandemic – Labor Market Dynamics

The pandemic brought on dramatic and instrumental changes to employment and the labor markets, some of which may be substantially lasting. Work at home positions have become widely accepted and commonplace now, as have transient workers migrating from city to city, and state to state. Many companies today allow their employees to essentially work from anywhere, any city, any state, establishing a true virtual work environment.



Nearly five years after the pandemic, migration from various states has been consistent. California and New York combined, lost over half a million workers to other states from 2020 to 2024, while Texas took in one million new workers during the same period. Florida also saw a dramatic increase with over 750,000 new workers flooding into the state. Cost of living, taxes, and housing are among some of the reasons for the migrations. As a result of the worker migrations, California has seen its unemployment rate rise to 5.3%, the highest in the nation, while New Jersey saw its unemployment rate hit 4.8%. (Sources: Department of Labor)

Why Gasoline Prices Are Rising Faster Than Usual – Energy Overview

Various factors are contributing to sustained high gas prices, which are expected to add to price pressures heading into the summer months. Traditionally, gasoline prices move higher as vacation travelers hit the road during the summer months. Transportation companies, railroads, and airlines also see enhanced activity during the summer season. This summer, however, may produce higher prices than usual, as continued supply constraints, shipping issues, and increased international demand for U.S. oil and gasoline driven by the Russian invasion of Ukraine the Middle East conflict. The EIA reported that the average price of a gallon of regular gasoline rose to over $3.50 per gallon in March nationally. Rising gasoline prices can become a burden for both consumers and companies. Not only are consumers spending more of their income on fuel, companies also pass along the higher costs of fuel to consumers. Higher fuel prices tend to filter down to the consumer since the cost of food, transportation, and travel are all affected by rising fuel expenses. There is also the prospect of lower fuel prices. Historically, rising fuel prices eventually hinder economic growth, thus slowing industrial and consumer activity and lessening demand for fuel. Many economists believe that a recession would also curtail demand for fuel, thus bringing fuel prices lower. (Sources: U.S. Energy Information Administration (EIA)