IRONWOOD WEALTH ADVISORS LLC
a registered investment advisor
DISCIPLINED WEALTH MANAGEMENT

Derek J. Sinani
Founder/Managing Partner
derek@ironwoodwealth.com
7047 E. Greenway Parkway, Ste. 250
Scottsdale, AZ 85254
480.473.3455

June 2023 - Happy Summertime!!

Market Update
(all values as of 09.29.2023)

Stock Indices:

Dow Jones	33,507
S&P 500	4,288
Nasdaq	13,219

Bond Sector Yields:

2 Yr Treasury	5.03%
10 Yr Treasury	4.59%
10 Yr Municipal	3.44%
High Yield	8.84%

YTD Market Returns:

Dow Jones	1.09%
S&P 500	11.68%
Nasdaq	26.30%
MSCI-EAFE	4.49%
MSCI-Europe	5.39%
MSCI-Pacific	2.89%
MSCI-Emg Mkt	-0.38%
US Agg Bond	-1.21%
US Corp Bond	0.01%
US Gov't Bond	-0.86%

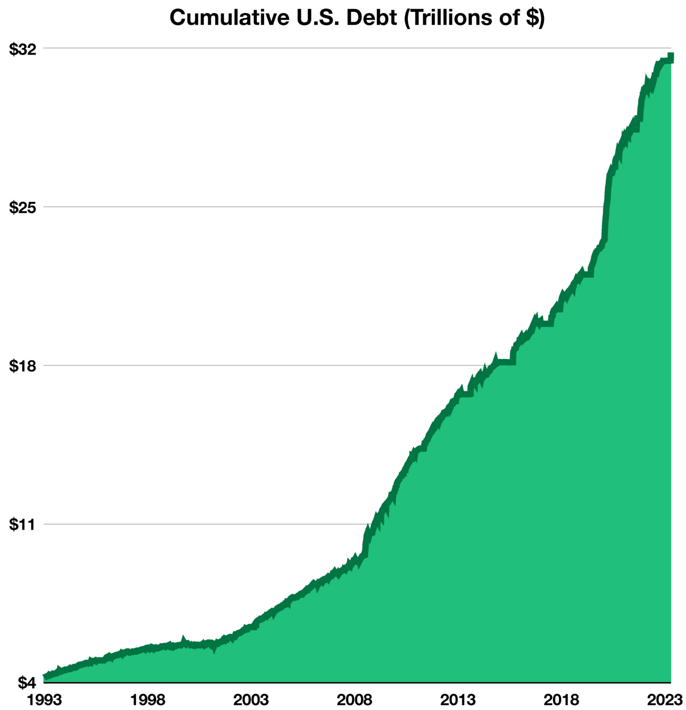
Commodity Prices:

Gold	1,864
Silver	22.39
Oil (WTI)	90.77

Currencies:

Dollar / Euro	1.05
Dollar / Pound	1.21
Yen / Dollar	149.32
Canadian /Dollar	0.74

Macro Overview: Congress passed legislation during last-minute negotiations to avert a default on the nation's debt. The suspension on the U.S. government's $31.4 trillion debt ceiling is temporary until lawmakers finalize legislation to fund ongoing federal obligations.



The impasse on the debt ceiling added strain to bond and equity markets in May. Treasury bond yields rose as increasing debt level concerns triggered increased trading in government bonds. Debt ceiling concerns in addition to the uncertainty surrounding regional banks' exposure to commercial real estate contributed to a volatile environment throughout the month. Over the years, I've made it very clear that debit ceiling debates are nothing more that political brinkmanship and teethless threats to extract political concessions. Most genuine financial professionals (outside of mainstream media – Fox, CNN and the like) realized that defaulting on our national debt is truly a nuclear option – a button no one will ultimately press.

The Treasury Department plans to issue additional short-term debt to fund immediate federal expenses, with $61 billion in 6-month bills and $68 billion in three-month bills already issued as of the first of June. Treasury issuances, also known as auctions, are part of the government's ongoing cash management process.

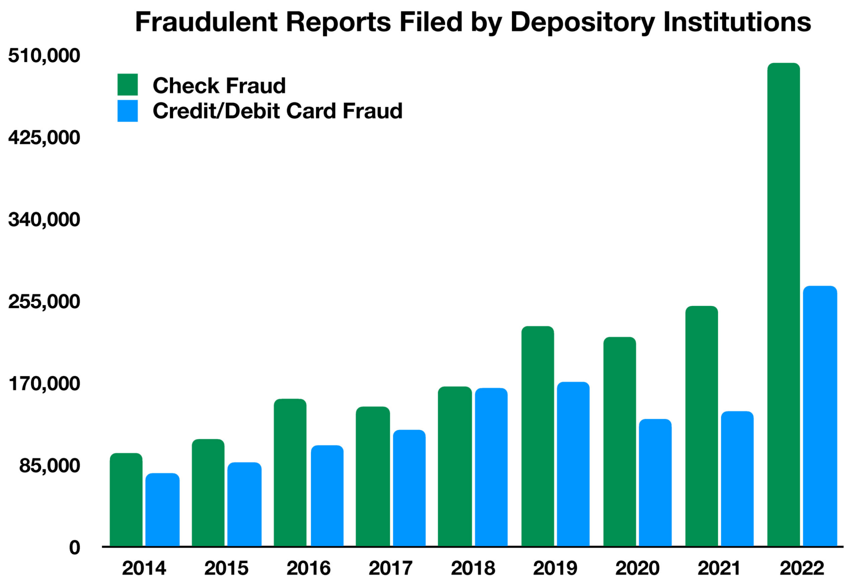
The Fed's most recent Beige Book survey found that demand for domestic transportation services such as trucking and railroad has been decreasing. The survey also found that commercial construction and real estate activity has also been decreasing overall. (Sources: U.S. Congress, Treasury Dept., G7, Federal Reserve)

AMERICANS SENT OUT 11.2 BILLION CHECKS IN 2021

Equities Endure Volatility – Domestic & International Stock Markets: Uncertainty with the debt ceiling created volatility in domestic equities, yet still maintained positive year-to-date returns for the S&P 500 Index and the Nasdaq. The Dow Jones Industrial Average was still -0.72% for the year. Major international regional indices such as the MSCI EAFE, the MSCI Europe, the MSCI Pacific, and the MSCI Emerging Markets all maintained positive YTD results through the end of May- areas of the market where we've increased portfolio exposure in the proceeding quarters.

Debt Ceiling Issues Push Yields Higher – Fixed Income Overview: Government bond yields saw an increase in May as discussions surrounding the debt ceiling transpired. Even with the turmoil in May, all bond sectors were still posting positive year-to-date results as of the end of May. The yield on the 10-year Treasury bond settled at 3.64%, rising slightly as possible increasing costs of borrowing for the government prompted concerns. Many areas of the bond market are now yielding 6-7% – providing us one of the most attractive investment we've seen in 15-20 years. Our portfolio weighting to these areas of the market have increased since January 2, 2023.

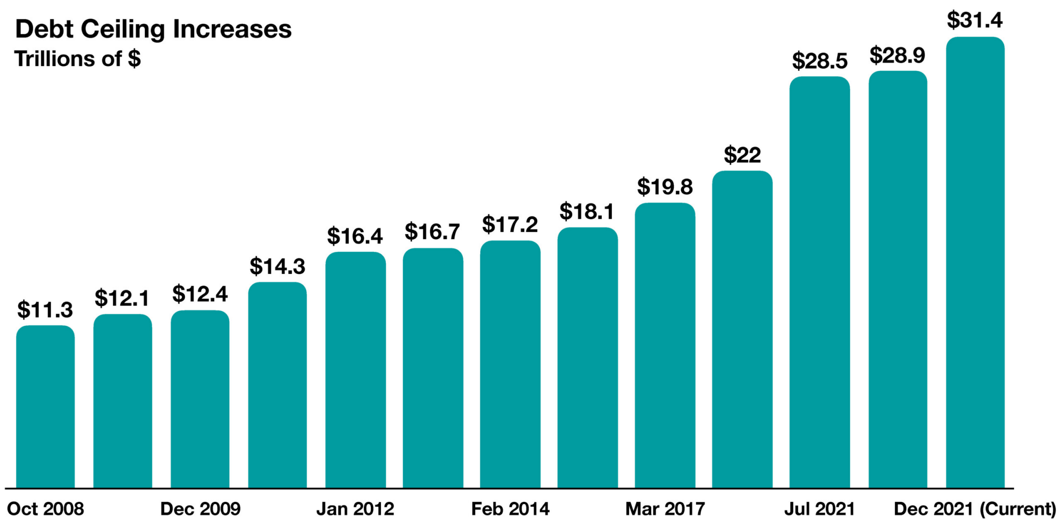
Paper Check Fraud On The Rise – Consumer Awareness: Despite electronic deposits and checks on the rise, paper checks remain an extremely common way to pay expenses such as rent, utilities, donations, and taxes. However, fraud is increasingly targeting paper checks, raising the risks of writing a check.



Such fraud can occur in a wide variety of ways, including the targeting of mailboxes where checks lay susceptible. Most of these tactics are low-tech and primarily target a more elderly population that still heavily relies on paper checks. Americans sent out 11.2 billion checks in 2021 alone. Banks are reporting that check fraud has been rising significantly, with credit card fraud the next highest form of fraud. Certain methods could prevent check fraud. For one, individuals and businesses should limit the number of written checks to reduce the chances of a check being stolen. Experts recommend using gel ink pens rather than ballpoint pens to make it more difficult to remove the ink with chemicals. Additionally, always keep an eye on any unusual transactions and report them as soon as possible to your bank. The fraud has nothing to do with the scammers having your account number, but rather, they erase the payee information on the check and replace it with an illegitimate company or individual's name.

IN JANUARY, THE DEBT CEILING OF $31.4 TRILLION WAS SURPASSED

Recent History of the Debt Ceiling – Fiscal Policy: In the decades following World War II, the U.S. has seen its debt level steadily increase as the government has faced growing financial commitments. More recently, however, government debt has been expanding at a more significant pace since the early 2000s. Through these past two decades, there have been several political disputes regarding the debt ceiling, which is the limit of debt the government can issue. In January, the debt ceiling of $31.4 trillion was surpassed, which prompted the U.S. Treasury to implement "extraordinary measures" that will last until early summer to avoid the government defaulting on debt.



There have been several debt ceiling hurdles since the turn of the 20th century. Fortunately, the U.S. has never defaulted on its debt, which means the Treasury would be unable to pay its obligations. However, 2011 saw a point of near default, leading to credit rating agencies' first downgrade of U.S. debt. In 2013, debates regarding the debt ceiling rose again, with the government experiencing a partial shutdown that led to the furloughing of hundreds of thousands of federal employees until the debt ceiling was suspended.

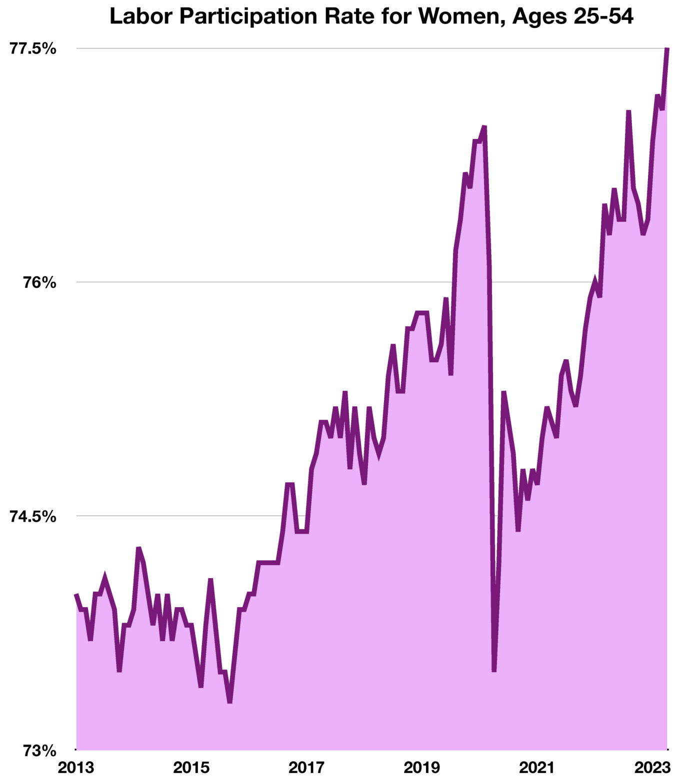
More recently, another government shutdown occurred in 2018 when the debt ceiling yet again failed to be raised. Now, in 2023, the debt ceiling saw a near-default due to political gridlock and differing interests by the main political parties. The resolution to this will delay further debt negotiations until 2025, suspending the debt ceiling and keeping spending largely at its current level. The risks of default include severe domestic and global economic repercussions, market volatility, and damage to confidence in the U.S. government's ability to manage its finances. As political gridlock has driven another debt ceiling crisis, it is important to note that extremely similar circumstances have occurred in the past and will likely continue to occur.

It's important to understand that raising the debt ceiling has absolutely nothing to do with increasing future government spending – something the media and politicians willfully attempt to confuse people about. Rather, it's about raising the current debt threshold to pay for past obligations and previous commitments. It's the future obligations that need to be examined, scrutinized and reduced – not politicians threatening to renege on our nation's past financial pledges.

IRONWOOD WEALTH ADVISORS LLC
a registered investment advisor
DISCIPLINED WEALTH MANAGEMENT

GDP GREW BY 1.1% IN THE FIRST QUARTER OF 2023 - SO WHERE IS THE RECESSION?

More Women in the Workforce – Labor Market Update: An increasing share of women are participating in the workforce, representing a strong recovery from a pandemic-era slump. With more job openings and recruitment of women alongside high inflation driving needs for supplemental income, more women than ever are either employed or searching for work.



This recovery has come quite swiftly from the sudden drop seen in the pandemic, as millions of women either lost their jobs or left the workforce. In the early months of the pandemic, the labor participation rate dropped by over 3.5%, reaching the lowest rate since 2015. The number of women in the workforce had been in a general decline since its peak in 2000, yet showed a sense of resurgence in the late 2010s leading up to the pandemic. Now, the labor participation rate for women between the ages of 25 and 54 is 77.5%, higher than ever recorded. As primarily younger women continuously enter the workforce with plans to work long-term, this rate is expected by many analysts to continue rising. (Sources: Organization for Economic Co-operation and Development. Federal Reserve Bank of St. Louis)

Economic Growth & Inflation Starting To Cool – Economic Environment: Following two consecutive quarters of negative Gross Domestic Production (GDP) growth starting in 2022, the year ended with two consecutive quarters of positive growth. While 2023's first quarter also displayed positive growth, marginal growth shows a cooling GDP. GDP grew by 1.1% in the first quarter of 2023, down from 2.6% in the fourth quarter of 2022.

Also trending downward is inflation, increasing 4.9 percent from April 2022 to April 2023, the smallest 12-month increase since April 2021. A large driver behind this decline is the mellowing of more volatile factors such as electricity, gasoline, vehicles, and food. Leading this decline is the price of gasoline, which fell 17.4% in March and 12.2% in April from the year prior.

However, core inflation remains resilient. Core inflation excludes more volatile factors which significantly contributed to inflation's historic rise in 2022. While lower than its September 2022 high of 6.6%, core inflation has remained relatively constant in the past 5 months, measuring in April at 5.5%, just 0.1% lower than in March and the same as in February. I've been very vocal in my assertion that both inflation and interest rates have peak in this particular cycle.

As always, thank you for your friendship and continued patronage. Have a great summer!!

Market Returns: All data is indicative of total return which includes capital gain/loss and reinvested dividends for noted period. Index data sources; MSCI, DJ-UBSCI, WTI, IDC, S&P. The information provided is believed to be reliable, but its accuracy or completeness is not warranted. This material is not intended as an offer or solicitation for the purchase or sale of any stock, bond, mutual fund, or any other financial instrument. The views and strategies discussed herein may not be appropriate and/or suitable for all investors. This material is meant solely for informational purposes, and is not intended to suffice as any type of accounting, legal, tax, or estate planning advice. Any and all forecasts mentioned are for illustrative purposes only and should not be interpreted as investment recommendations.