

## STOCKS RALLY FOR THE SECOND CONSECUTIVE MONTH

In November, stocks experienced positive results adding to October's gains. In fact, it's the first time in 2022 where we have had two consecutive months of positive returns. For the month, the S&P 500 Index rose 5.6%, the technology-heavy Nasdaq rose 4.5% and the Dow Jones Industrial Average gained 6%.

Over the past two months, equities have bounced back considerably. In fact, the Dow is up approximately 20% since its bear market low on September 30th.<sup>1</sup>

Investors have cheered the Federal Reserve Chair Jerome Powell's recent comments regarding slowing the pace of rate increases to further analyze the impact of 6 hikes in 2022 that were implemented to tame inflation. While in November the Fed raised the short-term borrowing rate by another 0.75%, bringing the target range to 3.75-4.0%, Powell signaled that the central bank could slow its pace of future increases. A rate hike of only 0.50% is expected in mid-December.

On the inflation front, progress is being made. For the 12 months ending in October, the U.S. inflation rate slowed for the fourth consecutive month to 7.7%.<sup>2</sup> Two key inflation indicators appear to be easing – rents are increasing less than expected and the price of used cars declined.<sup>3</sup>

The economy continues to show strength as third-quarter GDP increased at a 2.9% annual rate, higher than the preliminary estimate of 2.6%.<sup>4</sup> The labor market also remains resilient with the economy adding over 200,000 jobs in November. The unemployment rate remains steady at a near historic low of 3.7%.<sup>5</sup> Consumer spending has ramped up, contributing to the economic boost with an increase in October.

1) Barrons.com, 2) Trading Economics, 3) Reuters.com, 4) Bureau of Economic Analysis, 5) U.S. Bureau of Labor Statistics

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**Past performance is no guarantee of future results.**

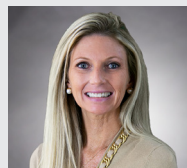
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It's been an unusually volatile year, yet history informs us that stocks have inevitably rebounded. In fact, since 1939, the S&P 500 Index has fallen 25% or more 12 times from peak to trough. Over a 1-year period following this 25% decline, 11 out of 12 times the market gained an average of approximately 21% in the following year.

You may want to consider taking the time now to put some money to work at potentially attractive prices. Consider adding to your IRA Account, opening an account for your child or grandchild or increasing your contribution to your Health Savings Account. Depending on your situation, a Jemma Financial Advisor can help determine the best course of action to take while the market is at a lower level.

With December now upon us, all of us at Jemma Financial wish you a wonderful holiday season and a healthy and happy New Year.



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