

What's New(s)?

Greetings, and we hope you are enjoying a delightful beginning to spring! Q1 was another interesting quarter in the financial sector, and here's our take:

Despite a highly publicized banking crisis and plenty of uncertainty around interest rates, stocks and bonds finished up in the first quarter of the year.

Believe it or not, March 15 marked the third anniversary of the U.S. shutdown for the COVID-19 pandemic; the market bottomed six days later, with the S&P dropping 34%. Many investors responded by selling out of the market – but those who stayed in the market and invested additional cash appeared to have fared the best over the last three volatile years.

Inflation and Interest Rates

The Fed continues to aggressively fight high inflation by increasing interest rates, and the strategy appears to be working. The Consumer Price Index topped out at 8.9% year-over-year last June, and we were significantly lower in February at 6.0% year-over-year. JP Morgan analysts expect to see inflation decline to 4% by the end of this year.

The Fed's goal in increasing rates has been to cool the economy and give manufacturers and problematic supply chains the ability to catch up to demand. Look for the Fed to slow or even stop the rate increases in the next three quarters, but we're not likely to see any declines in rates this year.

(Continued on back)

Bits 'n Pieces...

April is FIESTA month! Crack the cascarones and get ready to yell "Show me your shoes!" Check out [this guide](#) to the day-by-day events.

Pump rising: Factors are numerous – summer reformulation, OPEC cuts, continuing inflation – but gas prices are on their way up again.

Spring forward: Enjoying the longer daylight in the evenings and hoping 2022 was the last year we'd ever have to "Fall back"? Bills to make Daylight Saving Time permanent are still [languishing in Congress](#), so don't hold your breath in 2023.



Owners and Senior Financial Advisors

SPRING CALENDAR

Here are some dates for the remainder of Q2 2023 to keep in mind.

- April 15: Maker's Anniversary Celebration
- April 16-22 Volunteer Appreciation Week
- April 18 Income tax deadline (for filing or extension)
- April 20-30: **FIESTA San Antonio**
 - April 24: River Parade
 - April 25-28: NIOSA (Night in Old San Antonio)
 - April 28: Battle of Flowers
 - April 29: King William Fair
 - April 29: Flambeau

- April 22 Earth Day
- April 26 Admin[istrative Professionals] Day
- May National Mental Health Month
- May 2: Teachers' Day
- May 5: Cinco de Mayo
- May 12-13: **Sleeping Beauty Children's Ballet @ Majestic**
- May 14: Mother's Day
- May 29: Memorial Day
- June 18: Father's Day

Banking

With the announcement of the SVB closure and potential for a run on banks, investors definitely felt the impact. The bank failure was caused by several factors, including its investments losing value and its depositors losing confidence and withdrawing large amounts of money.

In March, Swiss regulators forced the takeover of banking giant Credit Suisse, closing the book on its 166-year history. That triggered fears of a global banking crisis, causing investors to flee stocks for safer assets, including bonds.

In response, depositors began moving money from smaller banks to larger banks, causing share prices for regional banks to fall. However, on March 21, U.S. Treasury Secretary Janet Yellen reassured that "the situation is stabilizing and the U.S. banking system remains sound."

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Summary

Inflation, the continuing Russian invasion, rising interest rates, banking fears, and talks of recession sometimes cause investors to want to sit on the sidelines. But history has shown that trying to time the markets has a significant negative impact on investor performance over the long term vs. those who stay the course. Successful investors will focus on buying quality investments in a diversified portfolio – and most of all – being patient.

And...

Did you know that May is Financial Literacy Month? Changing market conditions mean we all need to stay on our financial toes, so be watching our social media accounts for great resources for brushing up!

Tying it all up...

Q: What do success and 1-35 have in common?

A: They're always under construction.

**Wishing you much success
(and safe travels!) in this quarter!**