



Ropes Wealth Puts Progress in Perspective in Preparation for the Fall

This was the first real week of school for my kids, not just sports practices and orientations. There were some bumps. A lost student ID after day one, forgotten computers and a frantic drive to retrieve them, and a missing soccer cleat that turned up directly after we bought an emergency replacement. This time of year is always humbling with the reality check that comes from being the proud mom of three sweet but sloppy boys. It is a reminder that progress is not a straight line. There are bumps. There are good days and bad days. There are sometimes tears, both mine and theirs. More often there are smiles and joy.

I mention all of this because just when you think you have things figured out, people surprise you. The same is true of the financial markets. The conventional wisdom is that the Federal Reserve is going to cut interest rates next week on September 18. That should be good news, right? Yes, but, what if it isn't? What if the Federal Reserve doesn't cut interest rates by 50 basis points but only by 25 basis points? What if they do cut interest rates by 50 basis points and that means things are worse than we think? What if they cut by just 25 basis points and it is not enough to stave off a slowdown in employment? You get what I mean.

We are in a zone of uncertainty where everything seems at stake. But the truth is we are going to manage. Just like my kids, who by October will have the routines down and will only forget their computers and cleats maybe once a month. By the way, this same advice holds true related to elections. A lot of anxiety is building, for good reason of course, about how this election will impact market prices. The U.S. government is an extremely strong institution with well-designed built-in checks and balances that have served the country for more than 240 years. Markets recognize this and adapt, not only to election outcomes, but to general adversity.

A wise mentor of mine reminded me recently that trying to divine the daily or weekly moves of Wall Street is not useful: Wall Street often wants something but when they get it, then they don't want it. 25 basis points or 50 basis points, Harris or Trump; the outcome of these events in 2024 will be like tiny blips on the progress chart of your portfolio over the long haul.

For this week, producer and consumer inflation mostly met expectations, coming in slightly hotter than expected but generally consistent with forecasts. Jobless claims ticked up. Markets powered ahead, with every major sector on the rise, and both mega and small caps most in demand. Earlier month losses have almost all been clawed back, supported by fundamentals of a healthy private sector. Valuations are making investors feel uneasy, but they are buying anyway based on recent barometers of asset flows.

Like my kids during the first week of school, investors are feeling excited, anxious, confident, and uneasy all at once. We are here to help: going over your plan, reconfirming your investment selections, reviewing your most recent tax return, and suggesting strategies to help you achieve your goals, whatever those may be.

Thank you for your interest in our weekly investment commentary. If you would like to speak personally with a member of our team at any time, please click [here](#).

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