Iran Attacks Israel - Market Implications

Based on some recent conversations with clients about current events in the middle east, I've decided to focus on the market implications of Iran's attack on Israel. I've always promised that my weekly commentary won't ever focus on politics – I am well aware of the fact that you rely on me as a financial coach and that you don't need (or want) a political coach. The link for the Ladenburg client call below is not a political commentary, rather it is a commentary on the market implications of the conflict in the middle east. And if you'd rather not read the in-depth analysis contained in the link, I've extracted a couple of paragraphs that summarize the issue (emphasis added).

"… Market Implications: Looking back at last year when tempers flared in the Middle East, markets initially sold off across the board. At the time of the initial attack in October 2023, stocks were coming off back-to-back down months in which the S&P had fallen by -6.28%.10 The market trajectory was to the downside, and the potential for war only added fuel to the fire. However, the initial sell-off proved to be a knee-jerk reaction because investors were not sure how the Israel-Hamas war would unfold. However, through the end of 2023, economic fundamentals trumped geopolitical concerns as strong earnings and the potential for easier monetary policy supported markets. **The environment this time is different. Coming into April, major equity indexes had notched five straight months of gains, with the S&P 500 rising over 25% from November 2023 through March 2024. In our view, we would not be surprised to see a temporary retreat in equities along with rising bond prices due to increased demand for safe haven assets, leading to positive bond returns."**

"… There is a silver lining for economies around the world. Central banks have raised interest rates significantly in the last two years in an effort to tame elevated levels of inflation. Both the US and many central banks around the world have kept interest rates steady at high levels, citing strong jobs and economic growth as a reason. If more escalations threatened global or domestic growth, central banks could cut rates, ultimately helping growth-oriented assets."

Scott

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Ladenburg Asset Management

invites you to participate in the

1st Quarter 2024 Conference Call

hosted by

Philip Blancato

President and Chief Investment Officer

to provide an update on the portfolios in the Ladenburg Asset Management Program and discuss LTAM's market views:

- **Bonds:** The 10-year yield has increased from 3.92% to 4.31% to start the year. While we are earning large coupon payments, we continue to wait for the reversal in yields so that bonds may also achieve price appreciation.
- **Equities:** The bull market has built a full head of steam, with the S&P 500 Index hitting a new record high last week. We may see stocks continue to ride the wave of optimism supported by returns broadening outside of technology stock, strong economic growth, and approaching rate cuts.
- **Asset Allocation:** The Federal Reserve will likely start cutting interest rates later this year and the labor market should remain relatively healthy. In this backdrop, we view market volatility as an opportunity to diversify across market capitalization and consider extending duration with investment-grade bonds.

Date: Wednesday, April 24th, 2024
Time: 1PM PT
Dial In: 877.853.5257
Meeting ID: 970 6973 7566

A replay will be made available for those who are unable to attend the call.

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There's no bigger compliment than a referral from a valued client. Please keep me in mind when you have friends, family or acquaintances that may benefit from my advice and services.

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