

SOLIST FINANCIAL
WEALTH MANAGEMENT

Market Commentary

Solist Wealth Management

As of 06-06-2024



Q2 Market Commentary

In recent times, we have witnessed a Q1 earmarked by corrections. This year has been different to date. Instead, we have seen a continuation of a strong 2023. We owe thanks to the Magnificent 7 as well as a soft landing narrative.

Following Q1, we experienced a hiccup to that narrative and our first correction of the year. It was not just equities that took a spill during this period, but also fixed income as treasury yields surged back up and the 2/10s widened.

Some popular questions came to mind:

Will we cut? Do we hike? Is crypto going to be an ETF? Who will win the election? What will happen in the middle east? Are student loans going to be forgiven? Does any of this impact my portfolio?

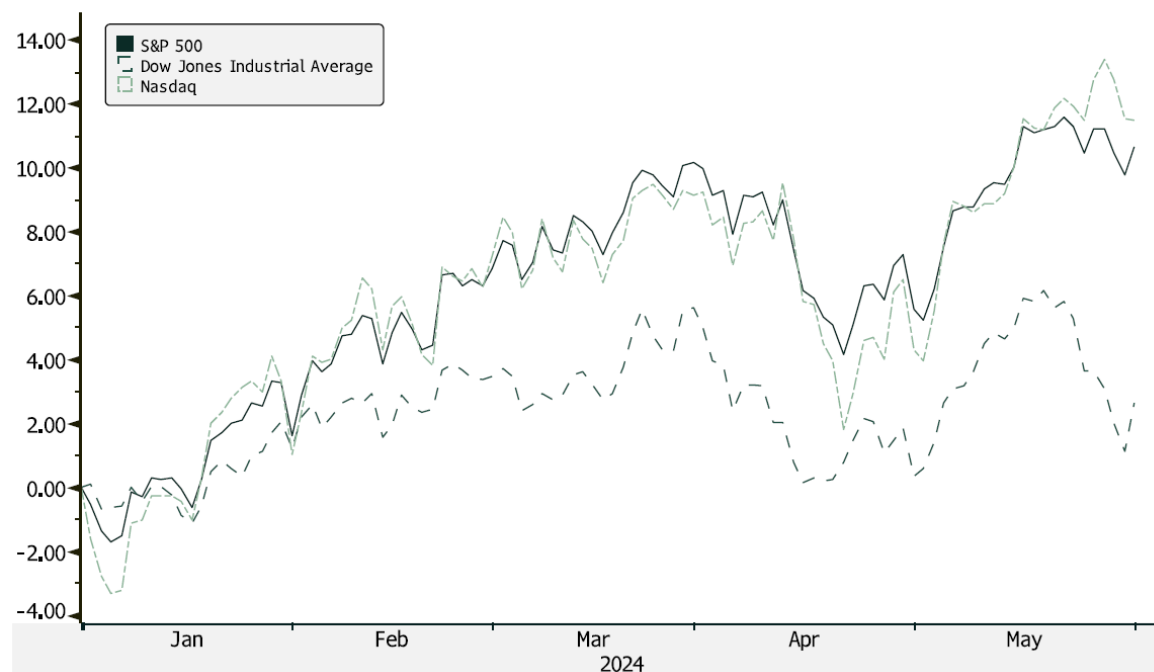
At Solist Wealth Management, we do a significant amount of research to shape our investment decisions, financial planning and offer peace of mind to our clients.

With that in mind, we are looking at the following main points:

- 1) Earnings Revisions and Valuations
- 2) Key Leading Economic Data
- 3) Cash Yields.

BENCHMARK	CURRENT		
	CURRENT MONTH	QUARTER	YTD
S&P 500	1.47%	2.15%	12.93%
Dow Jones Industrial Average	0.35%	(2.13%)	3.88%
NASDAQ	2.71%	5.07%	14.86%
Euro STOXX	0.61%	3.30%	11.36%
Nikkei 225 Stock Average	0.01%	(4.65%)	15.88%
Benchmark Return (%) (VIX)	(2.24%)	(2.92%)	1.45%

YTD Rate of Return: Major Equity Indices



Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/05/2024

Forecast	Q2 '24	Q3 '24	Q4 '24	Q1 '25
S&P 500 (Spot 5291)	5250	5400	5500	5250
DXY (Spot 104.15)	104.06	103.8	103.3	102.7
Gold (Spot 2326)	2,325	2,318	2,200	2,085
GDP	2.80%	2.60%	2.70%	2.60%
CPI	3.40%	3.10%	3.00%	2.60%
Fed Funds	5.38%	5.38%	5.13%	4.88%

Source: Solist Wealth Management as of 06/05/2024

Equity Market Overview

Per the attached exhibits, equity markets have had a substantial amount of wind in its sails. We have seen gains YTD not just in the Americas, but also in Asia and European markets as well. We are currently at an inflection point in the year, the mid way mark. A lull after earnings and going into summer. Historically, we hear the cliché "sell in May and go away." We do have headwinds that support that argument. At the top of the leaderboard, we have an unsavory global economy, a pivotal election, and geopolitical tensions. Despite those difficult hurdles, we have fundamentals and data that support a bull market.

Earnings and Corporate Buybacks:

Broadly we like the earnings revisions upward we are seeing and have seen beats on the top and bottom lines for the Q1 period. We expect to see upward momentum in the market as this continues to be a theme as well as the buybacks we are seeing.

AI is Not the Whole Story:

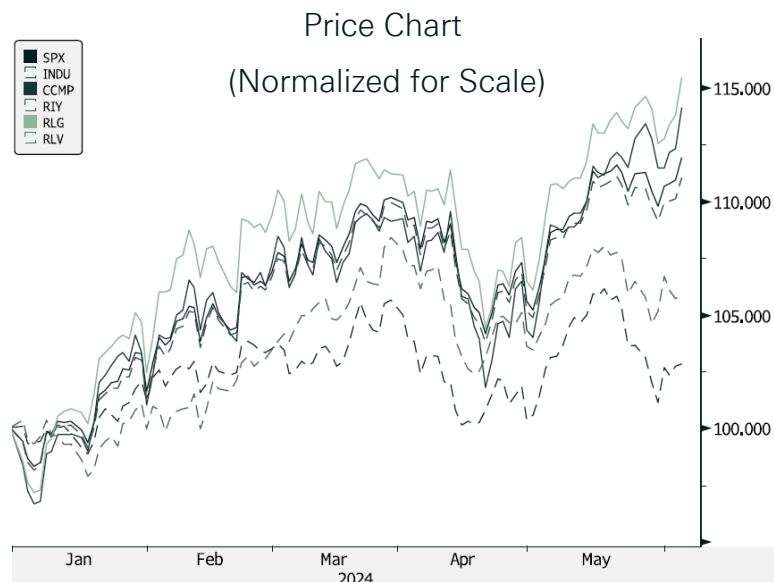
AI is a piece of the puzzle, it as a theme supports a global broadening of the market the Magnificent 7 have not touched. Simply, due to scarcity in other sectors, AI cannot advance. The investment is being made now.

Quantitative Easing:

We expect a tailwind to risk on assets from cash rates falling due to easing monetary policy. It will be turbulent but ultimately that will extend the bull ride.

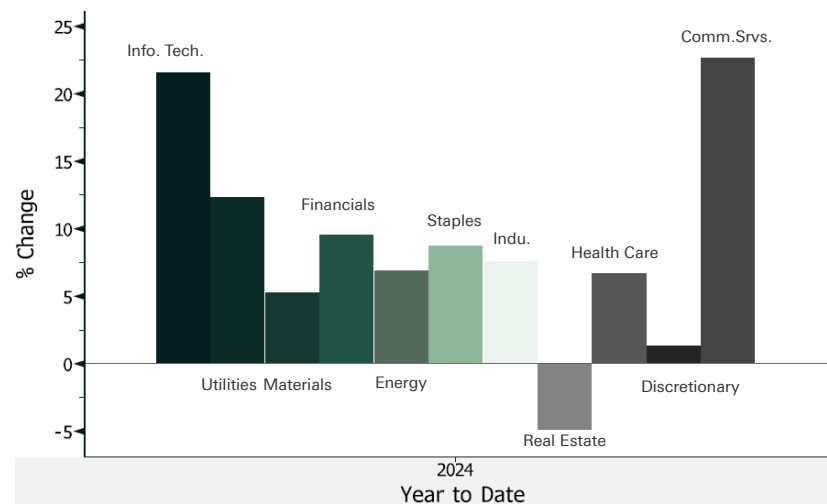
US Equity Indices Returns

BENCHMARK	YTD	2023	2022	2021	2020	2019
S&P 500	12.93%	26.29%	(18.11%)	28.71%	18.40%	31.49%
Dow Jones Industrial Average	3.88%	16.18%	(6.86%)	20.95%	9.72%	25.34%
NASDAQ	14.86%	44.64%	(32.54%)	22.18%	44.92%	36.69%
Russell 1000	12.04%	26.53%	(19.13%)	26.45%	20.96%	31.43%
Russell 1000 Value	7.16%	11.46%	(7.54%)	25.16%	2.80%	26.54%
Russell 1000 Growth	16.18%	42.68%	(29.14%)	27.60%	38.49%	36.39%



Index	Starting Price (1/1/2024)	Last Price (6/5/2024)	Change	% Change
S&P 500 (SPX)	4769.83	5336.91	567.08	11.89%
DJIA (INDU)	37689.54	38751.29	1061.75	2.82%
Nasdaq (CCMP)	15011.35	17130.2	2118.85	14.11%
Russell 1000 (RIY)	2622.14	2911.284	289.144	11.03%
Russell 1000 Growth (RLG)	3051.68	3522.171	470.491	15.42%
Russell 1000 Value (RLV)	1629.42	1725.24	95.82	5.88%

Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/05/2024



Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/05/2024

Fixed Income and Cash Market Overview

Is fixed income a safe haven? It has not been easy to be a conservative investor. It appears commodities have done a better job on both yield and asset protection in recent years than bonds. Will this continue to be the case through 2024?

We believe the economic backdrop and volatility will lead bonds well beyond breakeven. Now more than ever, you can cycle back into risk and begin to push short duration to intermediate. As interest rates drop, bond prices will increase. We will begin to see a flow from FDIC insured cash products to fixed income as yields dissipate. The combination will lead to annual returns in the teens.

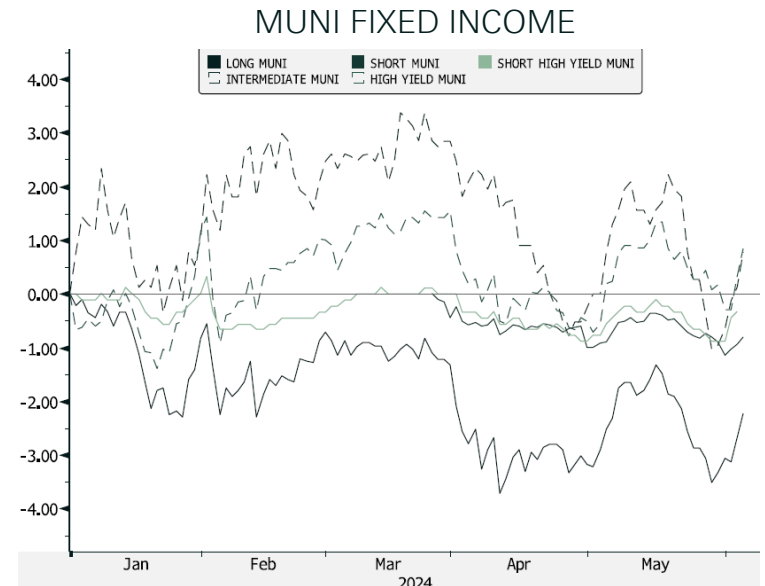
We like owning into the new year:

- Short Duration Corp. and Short Duration Corp. High Yield
- Similarly, Short Muni High Yield
- Preferred Stock
- Convertibles
- Private Credit by way of Interval Funds

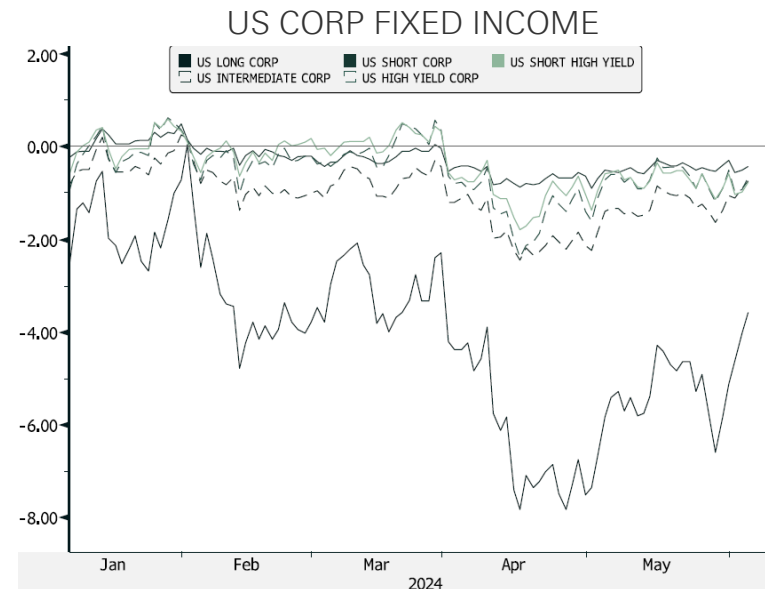
Adjacent to, but not the same, we like laddering auto callable buffer notes because of the enhanced yield.

As for cash, if you ask our head of Private Banking and Lending solutions, Jonathan Bouchlas, he would tell you to consider liquidity and time horizon. Expanding beyond money markets opens the door to yields in excess of 6% with additional upside potential by way of appreciation. The tool to unlock this is Ultra Short Bond Funds with durations less than 0.2yr.

He would also say, CDs are not worth it and in a 40.8% tax bracket muni money markets will pay over 0.5% additional yield on an equivalent basis.



Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/05/2024



Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/05/2024

Economic Overview

To cut or hike, that is the question.

Cut.

Contrary to popular commentary but priced into the equation, per the exhibits below, we expect upcoming economic data to warrant 1 rate cut in December of this year.

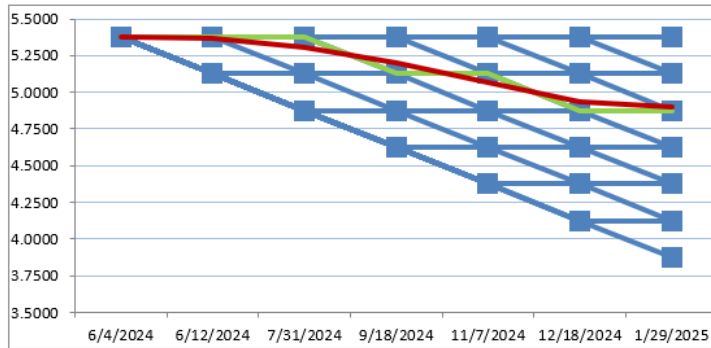
Key economic data to support this course of action is: spending and employment.

We are seeing scarcity begin to form on both expenditures and employment opportunities. As wages are caught in the cross hairs, it will not solely be expenditures that take a beating but also mortgages and commercial expansion.

The fed will have to react and we are counting on it.

Date	Upcoming Economic Events
Friday, June 7, 2024	Unemployment Rate
Wednesday, June 12, 2024	FOMC Rate Decision
Wednesday, June 12, 2024	CPI MoM
Thursday, June 13, 2024	Initial Jobless Claims
Thursday, June 13, 2024	Continuing Claims
Friday, June 14, 2024	U. of Mich. Sentiment
Monday, June 17, 2024	Empire Manufacturing
Thursday, June 20, 2024	Initial Jobless Claims
Thursday, June 20, 2024	Continuing Claims
Thursday, June 20, 2024	Building Permits
Friday, June 21, 2024	US Manufacturing PMI
Tuesday, June 25, 2024	Conf. Board Consumer Confidence
Thursday, June 27, 2024	Initial Jobless Claims
Thursday, June 27, 2024	GDP Annualized QoQ
Thursday, June 27, 2024	Personal Consumption
Friday, June 28, 2024	U. of Mich. Sentiment
Friday, June 28, 2024	Personal Income
Friday, June 28, 2024	Personal Spending

Prob of Rate Hike/Cut



Meeting Date	Future Rate Levels									
	3.88%	4.13%	4.38%	4.63%	4.88%	5.13%	5.38%	5.63%	5.88%	6.13%
6/12/2024						3.60%	96.40%			
7/31/2024					0.90%	26.00%	73.20%			
9/18/2024				0.40%	12.00%	46.90%	40.80%			
11/7/2024			0.20%	6.50%	30.30%	43.70%	19.30%			
12/18/2024		0.10%	3.40%	18.50%	37.10%	31.40%	9.60%			
1/29/2025	0.00%	0.60%	5.50%	21.20%	36.30%	28.30%	8.20%			

Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/05/2024

Yield Curve: 2/10yr



Source: Solist Wealth Management, Bloomberg Terminal L.P. as of 06/05/2024