

THE MARKET MEMO



DEAR BEAVERS WEALTH MANAGEMENT FAMILY & FRIENDS

Though the markets remained optimistic about the chance for a bipartisan deal on extending the federal debt limit, May was nonetheless a time of waiting and seeing, extending a streak of equity market choppiness into a second month.

Affirmation came during the Memorial Day weekend with the White House and House leadership announcing a deal to ensure the government continues to pay its debt. Despite a list of legislators pledging to vote No, the deal is expected to pass, averting a jump into the unknown.

In other events:

- Economic indicators tallied from April suggest the economy remains stronger than expected, which could lead the Federal Reserve to raise interest rates. If May also remained as resilient, it could lead the Federal Reserve to raise interest rates again, counter to the prevailing market expectation.
- Oil prices in May closed at near year-to-date lows despite OPEC cutting production in March, driven by expectations for a worldwide economic slowdown.
- Japanese equities are at relative highs as the yen lost value against the dollar, which can benefit the nation's exports.
- The Eurozone also experienced a strong month for equities, aided, in part, by the European Central Bank's clear messaging on its plan to raise interest rates.

The bottom line:

In the short term, we are likely to experience more churn and more pain, but in those challenges, there may be opportunities for long-term investors.

Thank you for your continuing trust in our advice for your financial goals and investing strategies. If you would like to discuss the market, or any aspects of your financial plan, please feel free to reach out at your convenience.

Sincerely,

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