

Investors know that the stock market moves in cycles, but few are comfortable when the cycle takes stock prices lower. And since late August, the cycle has been decidedly lower.

If you're looking for reasons to worry, you don't have to look for long:

**The trend is not my friend:** In late August, the S&P 500 was approaching 4,600. As November approaches, it's down roughly 10% from that 2023 high.<sup>1,2</sup>

**Oil prices:** Oil prices have been trending higher since late June, and some fear the price will continue to climb. Higher oil tends to be inflationary.<sup>1</sup>

**Bond yields:** The 10-year treasury has been flirting with a 5% yield for much of October. When bond interest rates move higher, stock prices can move lower.<sup>1,2</sup>

**Tensions in the Middle East:** The daily headlines are upsetting and frightening.

**Fed Watch:** The Fed is giving mixed signals about interest rates in its fight against inflation. Some Fed presidents believe rates are high enough, but Fed Chair Powell is not so certain.<sup>3,4</sup>

**Volatility picks up:** The CBOE Volatility Index has been hovering around 20 since late October. Higher volatility tests the mettle of the most seasoned investor.<sup>1</sup>

During these periods, it's frustrating to be an investor. But remember, when the market trends lower, stock prices will reset at new price levels. As the market moves through this process, it may be best to avoid watching the day-to-day price action if it's causing you to question your overall strategy. If you want an update, please give me a call!

1. Finance.Yahoo.com, October 27, 2023

2. The S&P 500 Composite Index is an unmanaged index that is considered representative of the overall U.S. stock market. Past performance does not guarantee future results. Individuals cannot invest directly in an index. The return and principal value of stock prices will fluctuate as market conditions change. And shares, when sold, may be worth more or less than their original cost.

3. CNBC.com, August 31, 2023. "Fed's Bostic says U.S. interest rates are high enough."

4. APNews.com, October 19, 2023. "Fed Chair Powell: Slower economic growth may be needed to conquer stubbornly high inflation."



**Scott Holstein**

[seh@prudentwm.com](mailto:seh@prudentwm.com)

(800) 458-9330

Prudent Wealth Management, Inc.  
Wealth Manager | Financial Advisor

<http://www.prudentwm.com>



[Make a phone appointment](#)

Registered Representative offering securities and advisory services through Cetera Advisor Networks LLC, member [FINRA/SIPC](#), a broker/dealer and Registered Investment Advisor. Certain advisory services and financial planning services offered through Vicus Capital, Inc., a federally registered investment advisor. Cetera is under separate ownership from any other named entity.

Confidential: This email and any files transmitted with it are confidential and are intended solely for the use of the individual or entity to whom this email is addressed. If you are not one of the named recipient(s) or otherwise have reason to believe that you have received this message in error, please notify the sender and delete this message immediately from your computer. Any other use, retention, dissemination, forward, printing, or copying of this message is strictly prohibited.

This informational email is an advertisement and you may opt out of receiving future emails. To opt out, please click the "Unsubscribe" link below.

This message was sent by  
Prudent Wealth Management, Inc.  
(800) 458-9330  
301 York Road  
Ste 200  
Warminster, PA 18974

[Unsubscribe](#)