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Investing Ideas For 2024

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Your investments are valuable component of your financial well-being. While it is important to "focus on the long-term;" during complex times as we have today, it is necessary to evaluate your personal progress and review your options. This may be particularly true if you have weathered the 2008 and other bear markets.

Nobody knows where investment markets are heading in 2024. But it seems likely that U.S. and perhaps global equity benchmarks will be volatile and unpredictable all year. Wherever they finish, with proper attention, you should be able to look back and believe that you have proactively and creatively anticipated challenges and implore actionable protective ideas.

2022/23 were fast years, but it appears its conclusion was as predicted – Higher interest rate, Higher Inflation, a volatile market up but with a downward trend, a Japanese market that is more robust, as a matter of fact; Pacific Metals rose more than 72% in 2022 as the index stayed pretty much even.

As of December 15, 2022; the tech laden Nasdaq was down 26.3%, and the S&P price return was a negative 19.17% with a 1.29 dividend return, S&P total return was **-17.88%.**

Japanese market will continue its trend in 2024. We expect Nikkei to outperform between March and June of 2024, with possible retraction in April and May then after August. The U.S. Market should perform well, but may under-perform toward year-end especially, as we face a challenge in the Real Estate Market.

Here are Four (4) ideas that could prove to be of value:

We can help you evaluate the minimal, modest or major changes that are warranted to weather the current market environment. ***The action you take over the next 30-60 days can influence your investment outcome.***

Call us toll free for a no obligation review – 1-888-304-7778.

Four (4) Investment Ideas for 2024

1. Increasing Cash – On Internet investment blogs, debates rage over whether the next phase of the U.S. economy will tilt toward whether inflation will be temporary or permanent or things may turn deflationary after a market collapse. It's a sign of changing times that each side has many champions, with few advocates in the middle. By increasing your allocations to cash, you can position portfolios for a trend in either direction:

o A **deflationary environment** has negative impact on asset values, so cash preserves assets and provides liquidity for future acquisitions at lower prices.

o An **inflationary environment** produces higher interest rates, which creates opportunities to buy bonds at lower prices (and higher yields). Note, FED action may include rate increase to fight inflation. We think inflation will recede in 2024.

2. Fundamental Foundational Block – Federal minimum wage has stagnated at $7.25 per hour since 2009, with a debt laden economy comes dried up net disposable income with increased interest rate and debt service – A debt trap! If you are within five years of your retirement, it is time to revise your investment profile and asset allocation. To retire well, you must transition from an accumulation phase to a preservation phase. This involves de-risking your portfolio. To de-risk your portfolio, you need to reset your asset allocation model and then reposition your assets. Be mindful of the seven (7)major risks associated with retirement in general, and yours in particular.

3. Asset Preservation – There are four scenarios we see on a macro basis to wade off an economic down-draft – increase taxes, higher inflation, de-leveraging, or continued deficit financing. For you, we advocate de-leveraging, re-balancing your portfolio as in 2 above, and we emphasize asset preservation. So, what can you do now?

1. **Fixed Investment -** Invest in CDs, MYGA Products, and FIAs that allows you to capture the upside if the market goes up, but lose nothing if the market goes down.
2. **Marketable Securities –** If you want to invest in the market, look for sectors that are defensive or anti-cyclical – Consumer Staples, Consumer Durables, Utilities, and Non-Mortgage Financial. Also make sure to look for Dividend Paying Stocks.
3. **For best dividend paying stocks for the long-run:**
    a. Select quality businesses that has a proven record of growth, profitability, and stability.
    b. Look for businesses that pays you the most dividend.
    c. Make sure with the dividend pay-out, the company has a built in margin of safety.
    d. Make sure the company has an history of stable growth.
    e. Keep in mind that companies that are defensive players weather recessions and panics.
    f. Look for value.
    g. Make sure the dividend pay-out is consistent, stable, and growing. If it reduces, watch out!
    h. Diversify. As the adage goes, “Don’t put all your eggs in one basket,” we add except if young and want to build fast.

4. **Turn off the T.V. or other noisy media ---** stop listening to the noise of the Pundits and unreliable information that has nothing to do with your situation except to entertain. **"Nervous energy is a great destroyer of wealth."**

<u>Why You Must Pay Attention</u>

Real estate – U.S. home prices are experiencing the largest growth lines (albeit on the wane)since the Great Depression, especially 2008; and many observers believe prices will not bottom until late 2024 or early 2025. Commercial real estate has begun to show signs of stress.

The credit crunch – Banks are worried about rising delinquency rates on many types of credit including car loans, student loans, credit cards,commercial and construction loans. Many banks are tightening credit standards. 2008 serves as a cautionary tale for many, even though most have shored up their balance sheet.

Corporate earnings – Third quarter earnings season for 2024 is in its latter innings. Based on Refinitiv and Motley data, t**he** total return of the **S&P** 500 produced a compound annual **growth** rate of 10.1% **over the** past 96.5 **years**, **t**he average return of the **S&P** 500 **over** any five-**year** period has been 40% adjusted. The "mixed" expected year- over-year growth rate for S&P 500 earnings is nearing 9.3%. (Mixed refers to the combination of actual earnings for companies that have already reported and consensus estimates for companies yet to report.) In view of the current sentiment, especially with current economic events, wars and geo-politics; data points suggest downside might be a low probability.

Inflation – Driven by increases in energy and food, supply chain squeeze and liquidity, the U.S. Consumer Price Index increased in 2022 at a faster pace than in any year since 1990. Consumer Price Index will begin to tapper off, so will energy prices and wages in 2024.

Employment – According to the Bureau of Labor Statistics, U.S. civilian employment total non-farm payroll employment rose by 263,000 in October 2022 to 153 million. Total Non-farm monthly job growth averaged 420,000 thus far in 2022, compared with 562,000 per month in 2021. In 2024, we expect mild growth albeit in the service sector and with low wages.

The Federal deficit – The Budget and Economic outlook through 2032 based on CBO's projection with unchanged current laws totals over $1

Trillion for 2022, and projected to average $1.6 trillion per year beginning 2023 through 2032. Real GDP grew by about 3.1 percent this year. Federal Deficit Trends Over Time. Since 2001, the U.S. has experienced a deficit each year. Beginning in 2016, increases in spending on Social Security, health care, and interest on federal debt have outpaced the growth of federal revenue. In 2020, federal spending increased in response to the COVID-19 pandemic. The U.S. Cumulative Deficit Projected for FY22: $1,153 billion Cumulative FY21 Deficit: $2,772 billion. CBO puts cumulative deficit between 2022 and 2031 at $12.1 trillion. For 2024, deficit will grow. As mentioned in last year’s investing ideas, large deficits will continue to limit Congress’ options in implementing economic stimulus programs, and could be permanently inflationary if not carefully implemented.

The U.S. dollar – **The US Dollar** is the single most popular currency in the world, and is the dominant reserve currency in use around the globe. The USD is often called 'The Greenback’. However, there are rallying competing bloc to dislodge the Dollar primacy. Nonetheless, with the economic recovery and FED tightening, the dollar should move broadly higher. Year-to-date, DXY is up about 9% at 104.5 – overall, for 2022, it reached its 20 year high in September at 144, and for 2023; FED said it is not “restrictive enough,” so interest rates might stay elevated, so we might see strength in the dollar through the middle of 2024.

Income taxes – Tax rate reductions enacted by Congress in 2001 and 2003 are scheduled to expired in 2010, except for the added tax break provided in the 2017 Tax Cut and Jobs Act (TCJA). Biden have promised to increase income taxes on the wealthiest taxpayers. There are three key points worth noting:

- Higher tax brackets for 2023 as a result of inflation adjustments

- Standard deduction will increase to $27,700 for married couple, and $13,850 for single taxpayers

- Changes are made to AMT (Alternative Minimum Tax), Estate Tax Exemptions, Earned Income Tax Credit, and Flex Spend Accounts.

Below are 2023 Marginal Tax Brackets for Married and Single Taxpayers (Source – IRS):

Marginal tax brackets for tax year 2023, married filing jointly

The table shows the income brackets for married couples filing jointly for the 2023 tax year.

$22,000 or less	10% of the taxable income
$22,001 to $89,450	$2,200 plus 12% of amount over $22,000
$89,451 to $190,750	$10,294 plus 22% of amount over $89,450
$190,751 to $364,200	$32,580 plus 24% of amount over $190,750
$364,201 to $462,500	$74,208 plus 32% of amount over $364,200
$462,501 to $693,750	$105,664 plus 35% of amount over $462,500
$693,751 or more	$186,601.50 plus 37% of amount over $693,750

Marginal tax brackets for tax year 2023, single individuals

The table shows the income brackets for single individuals for the 2023 tax year.

$11,000 or less	10% of the taxable income
$11,001 to $44,725	$1,100 plus 12% of amount over $11,000
$44,726 to $95,375	$5,147 plus 22% of amount over $44,725
$95,376 to $182,100	$16,290 plus 24% of amount over $95,375
$182,101 to $231,250	$37,104 plus 32% of amount over $182,100
$231,251 to $578,125	$52,832 plus 35% of amount over $231,250
$578,126 or more	$174,238.25 plus 37% of amount over $578,125

The trade deficit – U.S. current-account deficit declined 9.1 percent to $217.1 billion – a $21.6 billion decline in the third quarter of 2022, but up in the second-quarter revision to $238.7 billion. The deficit is driven by goods trade — the U.S. trade deficit in goods. U.S. Trade deficit will widen especially in Agriculture and other areas of traditional surplus. A high trade deficit gradually drains wealth from the U.S and sends it overseas.

Strategy/Tips

For free, Request the Top selling book "**Top 10 IRA Mistakes - "How To Avoid IRA Tax Traps**" and also get a 30 minute FREE consultation. You will get a customized actionable solution to address your financial concerns.

Call 408-396-0369.(PST)

Provided by Ade Adesokan, CFM

For over 34 years, Mr. Ade Adesokan has worked with Seniors, Health Care Professionals, and Business Owners to safely invest over $450 million into secure investments that assures the return of client's money and offers them safe, reliable income with reasonable growth that is dependable. His professional experience includes working as a Corporate Controller, Financial Analyst, and a Senior Advisor for Metropolitan Life and Merrill Lynch. He re tired at 59 in 2016, and was recently brought back by ANOFE - American Network of Financial Education to support their public education program.

Mr. Adesokan worked his way through college at Berkeley, and holds an M.B.A. degree from Golden Gate University in San Francisco. He's a Certified Financial Manager, an author, and a frequent guest lecturer on financial matters. Mr. Adesokan has provided financial advice on Radio Shows, and also seats on the Board of Outreach, a $40 million dollar non-profit organization that provides services to the Seniors and the disabled.

He enjoys working with Seniors and other mature individuals who want safe, profitable ways to grow their money, get guaranteed supplement income for life, reduce taxes, and maximize financial returns by investing in assured income and growth programs.

Four reasons why Ade and his firm stands out:

1. **We look for creative solutions to solve the varied financial concerns of each one of our clients.**
2. **We provide independent and objective recommendations motivated only by the best interest of the client.**
3. **We get paid when we perform for our clients – if our clients win, we win.**
4. **Our clients can implement the objective recommendation wherever they wish and we are independent , not beholding to anyone.**

Who we look to help:

- ✓ **A person that has an IRA, 401(k), 403(b) and other retirement accounts.**
- ✓ **A person that has a Rollover or needs to rollover his/her 401K plans due to change in employment, or retirement.**
- ✓ **Someone who will like to make more on their CDs or Savings accounts.**

For references or a consultation,

Call him toll free:

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A Member of ANOFE (American Network of Financial Education)

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