



Taylor Financial Group, LLC

Weekly Update

February 27, 2023

Core Inflation Across Goods and Services (Advanced)

Dear Friends,

For investors, it may feel like déjà vu all over again as inflation and the Fed dominate market headlines on a day-to-day basis. After all, the numerous market swings last year were driven by ever-changing expectations around the Fed - both when investors believed the Fed was doing too little, and when they thought the Fed was tightening too much. With markets once again concerned about the direction of the Fed, what

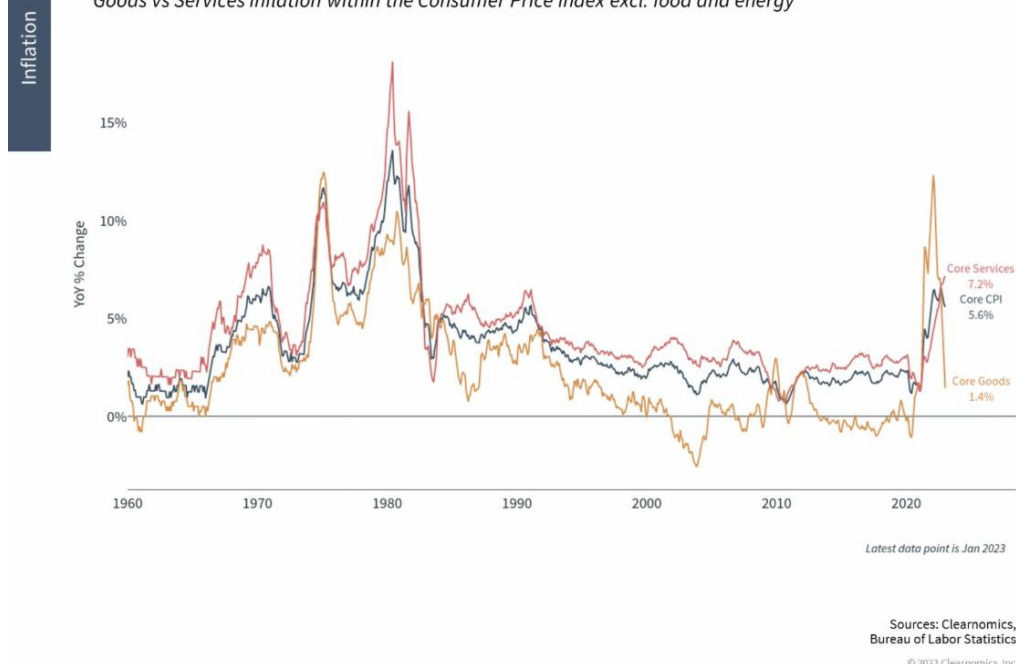
do long-term investors need to know about how the story is evolving?

Only three weeks ago at the Fed's latest press conference, FOMC Chairman Jay Powell stated that "the disinflationary process has begun." This is undeniably true across many parts of the economy as inflation has eased. However, recent data raise new questions around how quickly inflation is improving and whether the Fed will need to act more forcefully in the coming months. Not surprisingly, this has spooked markets.



Core Inflation Across Goods and Services

Goods vs Services inflation within the Consumer Price Index excl. food and energy



Goods inflation has improved but services are still a problem. The challenge facing markets and the Fed is simple: textbook economic theory says that inflation is the result of an overheating economy. Thus, in order to beat inflation, the Fed may need to slow the economy to a crawl or even cause a recession as it did in the early 1980s. While it's unclear whether a recession will occur in 2023, most forecasts suggest that the economy will be flat this year, at best. This is the case despite a historically strong job market with unemployment of only 3.4%. Thus, the conundrum is whether the Fed will need to break the job market to beat inflation. There are many ways economists slice and dice inflation data to best understand the underlying trends. One common way is to compare overall inflation, also known as "headline" inflation, to inflation without food and energy prices, also known as "core" inflation. This is not because food and energy are unimportant to consumers but because these prices tend to bounce around as commodity prices fluctuate, making it difficult to understand the trajectory of inflation. Recent data show that headline inflation has been decelerating - hence, Powell's disinflationary comment - but core inflation remains stubbornly high.

The bottom line? Headline inflation has improved since it peaked last June but core inflation, and services in particular, remain a challenge. The Fed will need to walk the line between fighting inflation and maintaining economic growth. Long-term investors should stay the course and not react to the inevitable market swings.

As always, please reach out with any questions.

Debbie

Market Commentary: The February Hangover is Nearly Over

Weekly Market Commentary 02.27.2023

Published by The Carson Group, LLC

The past few weeks we've advised readers to be on the lookout for seasonal late February/early March weakness. After the 11th best start to a year ever as of Valentine's Day, some sluggishness was expected. Well, stocks had their worst week of the year last week and are now down three weeks in a row for the first time since December.



[Click Here To Read More!](#)

Carson Webinar: Tips From A Tax Preparer

The slide has a dark blue background. The title 'Tips from a Tax Preparer: Best Practices for the Upcoming Tax Season' is written in large, bold, white and light blue text. A large white play button icon is centered over the text. Below the title, the names and credentials of the speakers are listed in white text: 'Mike Valenti, CPA, CFP®, Macc | Director, Tax Planning' and 'Tom Fridrich, JD, CLU®, ChFC® | Senior Wealth Planner'. At the bottom left is the Carson Partners logo, which consists of a blue square with a white 'C' and the text 'CARSON PARTNERS'. At the bottom right is a small video inset showing two men in a video call. One man is wearing glasses and a patterned bow tie, and the other is wearing a dark suit and a white shirt.

Stocks Catch Up With Fed Reality (Beginner)

Stocks Catch Up With Fed Reality. Why the Market May Have Already Peaked.

Article Published by Barron's Advisor

The stock market finally got the memo. After a staunch refusal to accept that the Federal Reserve has more work to do in the



battle against inflation, stocks eventually came around. All three major U.S. stock indexes fell at least 2%, each booking their worst daily drop since December, as the reality of the further interest-rate hikes seemingly began to set in.

[Read More!](#)

Information is provided by Taylor Financial Group and written by Callum Keow, a non-affiliate of Cetera Advisor Networks LLC.

Women's Events Calendar



Save the date and join us for these fun upcoming events!

- **Wednesday, March 22nd:** 4 pm Women & Wealth Webinar presented by Debbie Taylor and covering recent research on women and their finances, along with practical tips. There will be time for Q&A.
- **Thursday, April 27th:** Bowling at Montvale Lanes at 1 pm followed by Happy Hour at Debbie's House at 3 pm
- **Tuesday, May 16th:** 12 pm to 3 pm Educational Event and Cooking Class at Debbie's House

You Are Invited!
Client Only 'Office Hours'
Monday, March 6th @ 4:15 pm

Join Us!

You are invited to...Taylor Financial Group's **exclusive client-only** virtual update and open floor for all market, inflation, and whatever other questions come to mind!

Date: Monday, March 6th

Time: 4:15 pm

Dial in using your phone: +1 929 205 6099

*Are You Ready for the Market
Rebound?*

*You Are Invited to...
Taylor Financial Group's
Virtual Market Update*

Monday, March 6th @ 4:15 pm EST!

*You are invited to join our exclusive
client-only 45-minute Market Update
with Founder, Lead Wealth Advisor
Debra Taylor!*

*Debra will begin by discussing the
markets briefly and then open up the
floor to questions from the audience.*

Questions can be asked LIVE!

**Don't like public speaking?
No Problem**

Meeting ID: 875 0829 3166

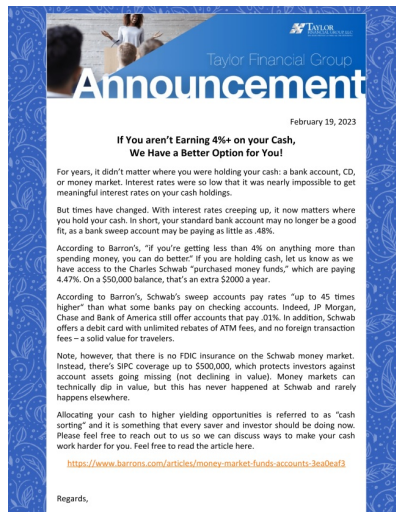
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[Click Here for Invitation!](#)

In Case You Missed It!

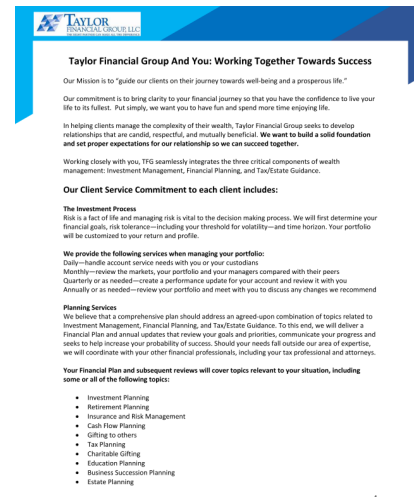
**If You Aren't Earning 4%+ On Your Cash,
We Have a Better Option for You!**

02.19.2023



Success Document

02.21.2023



With interest rates creeping up, it now matters where you hold your cash. In short, your standard bank account may no longer be a good fit, as a bank sweep account may be paying as little as .48%.

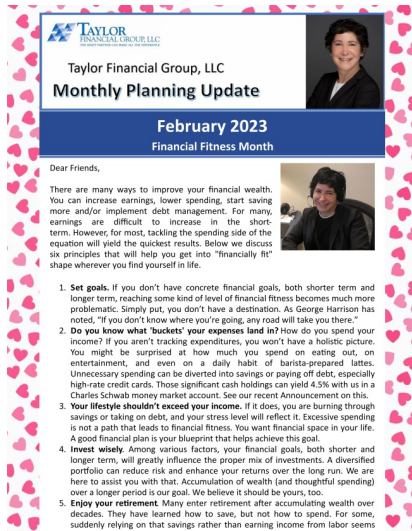
This document will help us to build a solid foundation and set proper expectations for our relationship so we can succeed together!

[Click Here](#)

[Click Here](#)

February Monthly Update

02.23.2023

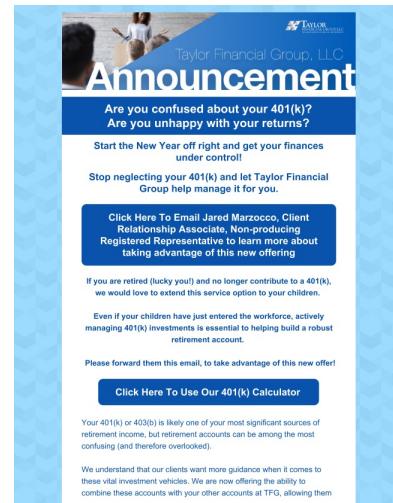


Did you miss our Monthly Planning Update that focused on Financial Fitness? If so, check it out!

[Click Here](#)

FEEX Letter

02.22.2023



Are you confused about your 401(k)? Are you unhappy with your returns? Your 401(k) or 403(b) is likely one of your most significant sources of retirement income, but retirement accounts can be among the most confusing (and therefore overlooked).

[Click Here](#)

Keeping Up With TFG!



Debbie killed it on the Main Stage at Thrivent, presenting to thousands of advisors and having an amazing time! 🎉🎉

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A diversified portfolio does not assure a profit or protect against loss in a declining market.

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Investors cannot invest directly in indexes. The performance of any index is not indicative of the performance of any investment and does not take into account the effects of inflation and the fees and expenses associated with investing.

Distributions from traditional IRAs and employer sponsored retirement plans are taxed as ordinary income and, if taken prior to reaching age 59½, may be subject to an additional 10% IRS tax penalty. A Roth IRA offers tax free withdrawals on taxable contributions. To qualify for the tax-free and penalty-free withdrawal of earnings, a Roth IRA must be in place for at least five tax years, and the distribution must take place after age 59½ or due to death, disability, or a first time home purchase (up to a \$10,000 lifetime maximum). Depending on state law, Roth IRA distributions may be subject to state taxes.

Re-balancing may be a taxable event. Before you take any specific action be sure to consult with your tax professional.

Asset allocation, which is driven by complex mathematical models, cannot eliminate the risk of fluctuating prices and uncertain returns.

The S&P 500 is a capitalizationweighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Bloomberg U.S. Aggregate Bond - The Bloomberg US Agg Total Return Value Unhedged, also known as "Bloomberg U.S. Aggregate Bond Index" formerly known as the "Barclays Capital U.S. Aggregate Bond Index", and prior to that, "Lehman Aggregate Bond Index," is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

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