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# Weekly Wire

## What We Know

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Years ago I worked on a cattle ranch in the [Sandhills of Nebraska](#). Part of the life of working on a ranch is watching the weather, which includes monitoring distant storm clouds and assessing any potential threats. In investment management, we do the same (though of course the clouds are figurative). Currently, the clouds on our economic and market horizon do indeed bear careful monitoring. They look ominous — but still distant enough to recognize that they may go a different path and not be as damaging as they appear. Then again, they could be. As [Tom Peters](#) famously said (and Warren Buffett's partner Charlie Munger often repeats), "If you're not confused, then you're not paying attention."

Indeed, today's economic and market backdrop is like a person pointing two ways. Pointing one way is that [interest rates are rising](#) rapidly, hitting levels not seen in over 15 or 20 years, depending on the maturity. Interest rates do matter but often impact with "[long and variable lags](#)." Match that with [high equity valuations](#), which suggest below-average returns (though not necessarily negative) for U.S. equities.

Pointing the other way, there are some positives. Economic momentum remains positive, especially with another [strong labor report](#) last week. Economic data continues to surprise to the upside. Shorter term, both [investor sentiment](#) and [seasonal studies](#), along with notable stock market price action all week, suggest a higher probability of gains in the months ahead.

Given the crosscurrents (then again, there are always crosscurrents), what do we confidently know? We know that a recession is coming, we just don't know when. Recessions are always coming. We know a bear market is coming, we just don't know when. Bear markets are always coming. That's why we believe in resilient, multi-asset portfolios, which include global diversification and strategic exposure to diversifying asset classes. Resilient portfolios can survive various weather conditions, including the occasional storm.

As for [potential market-moving events this coming week](#), beyond still watching interest rates, we will get key inflation data this Thursday. Earnings season also begins. Various Fed officials are also speaking.

Add it all up...

**Stay invested. Stay diversified. Stay disciplined.**

### Key Economic Data Last Week

Data Point	Expectation	Actual
ISM Manufacturing	48.0	49.0
Job Openings	8.8M	9.6M
ADP Employment	150,000	170,000
US Nonfarm Payrolls	170,000	336,000
US Unemployment Rate	3.7%	3.8%
Consumer Credit	\$12.0B	-\$15.6B

### Key Economic Data This Week

Data Point	Expectation	Release Date
Wholesale Inventories	-0.1%	10/10/2023
Producer Price Index	0.3%	10/11/2023
Core PPI	-	10/11/2023
Consumer Price Index (CPI) YoY	3.6%	10/12/2023
Core CPI YoY	4.1%	10/12/2023



### Mind Over the Market

The four Cs of rules-based behavioral investing: consistency, clarify, courageousness, conviction.

*The Laws of Wealth*, Dr. Daniel Crosby



### Trivia

Where does the word "mint" come from, when used to refer to a facility that manufactures coins?

[The Roman goddess Juno Moneta](#)