

# **SURGANT FINANCIAL GROUP**

## **MARKET COMMENTARY 2024**

For this year, we look for continued positive momentum in both the stock and bond markets from both lower inflation and modestly lower interest rates. However, there will likely be some periodic pullbacks, “slippage in the mud,” along the way. We continue to note with greater concern the heavy concentration of both stock market movement and index valuation, (e.g. S&P 500), in a very small handful of stocks. We believe many broad index and also some sector specific mutual funds and ETFs are currently quite imbalanced and not adequately representative of a wide cross section of individual stocks and industry sectors. As a result, we believe these carry an above average risk level that is not being well recognized. We also see a greater possibility of the stock market being affected by non-economic/financial geopolitical events. We have tried to build these concerns into our portfolio structures and strategy.

Our goal of helping you both “make money and protect money” involves risk management. Although this term is mostly used in the insurance industry, it also applies to your financial portfolio. Our ongoing pursuit is for optimal risk adjusted returns per your individual goals and objectives. As we look for growth opportunities, (indeed we are suggesting increasing large cap growth allocations in some portfolios), we look for what may be “hidden” asset values along with dividend and interest cash flow which is at all times important. One sector we see this is in shorter duration corporate bonds current selling at noticeable discounts to face values. In this sector, we are seeing above average total return potential that we have not seen for quite a few years. We have identified certain income oriented and “hybrid,” combined stock and bond, mutual funds that could take advantage of this. However, as with all of our investment recommendations and strategies, there are no guarantees and we advise the need for patience. Patience can be difficult at times.

As a final note, we want to thank many of you for the referrals you have sent us. We are truly appreciative. Our group has nearly 75 years of combined financial industry experience and we match this with a high level of energy and enthusiasm in our profession. We are actively seeking to expand our practice and are always interested in gaining new clients. As our e-mail sign off says, “Please don’t keep us a secret.” We would like to be of service to your relatives, friends, neighbors, and colleagues. We always encourage and appreciate referrals.

Best wishes for a great spring and summer.

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*Past performance is not indicative of future results.*

*Indices are unmanaged and are not available for direct investment.*

*The Standard & Poor's 500 Index is a capitalization-weighted index that is generally considered representative of the U.S. large capitalization market.*

*Mutual funds and exchange traded funds (ETFs) are offered by prospectus only. Investors should consider a fund's investment objective, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other important information, is available from your Financial Advisor and should be read carefully before investing. The investment return and principal value of an investment will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. ETFs trade like a stock and may trade for less than their net asset value. There will be brokerage commissions associated with buying and selling exchange traded funds unless trading occurs in a fee-based account.*