



D|A|DAVIDSON

CAMERON WEALTH PLANNING

A member of D.A. Davidson & Co. member SIPC

Yesterday, ADP announced private sector jobs surged by 497,000 in June, far exceeding the 267,000 gain the prior month and well beyond the 220,000 estimates. Not surprisingly, leisure and hospitality led with more than 232,000 new hires. Construction followed with 97,000. If you've traveled, gone out to eat, or attempted to make reservations at one of Portland's many "hot" restaurants (it is still a foodie city), you are most likely aware of the need for additional workers. Depending on the supply of workers (factors include people coming back into the work force post-Covid; challenges of relocating, if necessary, for a new job; current and longer-term impact of AI on labor force; continued layoffs in the technology industry...) strong job numbers can lead to higher inflation (the tighter the labor supply, the greater the upward pressure on wages, the higher the cost of goods and services). The Fed has two mandates, stable or "full" employment and 2% inflation. They basically have two tools, raising/lowering rates and increasing/decreasing the money supply. In general, the markets believed there was a greater likelihood of a "soft landing" and lower chances of continued rate increases. Yesterday's job numbers, while positive if you are looking for work in certain industries, may have changed the narrative and increased the expectation for another rate increase in July.

Headlines on the CNBC app read, "Dow is on pace for its worst day since March as strong jobs data sends rates higher." Last month's CNBC headlines read, "Nasdaq jumped 32% in the first 6 months of the year, its best first half since the tech heavy index climbed 37% in 1983." The media and pundits are intent on changing our definition of long-term to four weeks when it should be years. I believe we are in a transition period. Following historic low interest rates around the world and unprecedented rate increases in 2022, it seems we are closer to a topping out of rates and a decline in inflation as the consumer settles into a new norm. Markets are cyclical and my guess is the strong demand for travel and adventure will moderate and we'll see Instagram reels on "staycations" again.

That said, we are also on the cusp of transformational change in technology with the implementation of AI in all aspects of our lives. I'm hesitant to have Chat GPT create my newsletters but tempted to enter "tell clients to stay the course with investments based on the long-term history of the markets" but haven't succumbed yet. No one knows the true impact of AI, but everyone agrees it is life-changing. A STEM friend of my daughter's said he could be out of a job in six months. My grandchildren (when they come) may be awestruck when I tell them I wrote my own papers in college!

Lyn Cameron

"The best ability is availability. When you work with and for the best people in the business and you love what you do, showing up every day is a joy, but more than that, it is a privilege." -Charlie Cameron

LYN CAMERON, CFP® | Senior Vice President, Financial Advisor, Portfolio Manager

CA Insurance License #4115534

DA Davidson CA Insurance License #0763476

lcameron@dadco.com | p: 503.863.5085 | f: 503.863.5095

1300 SW Fifth Avenue, Suite 1950

Portland, OR 97201

CAMERON WEALTH PLANNING

www.cameronwealthplanning.com

Members of D.A. Davidson & Co.



D|A|DAVIDSON