

FINANCIAL FOCUS



A Pegasus Newsletter[©]

April 2023

Dear friends,

As the first quarter of 2023 comes to a close, we continue to work through the themes that have weighed us down like high inflation, rising interest rates and war, while new ones enter the picture. Bank failures have put pressure on our financial system and are adding more stress to investors and the markets. We will undoubtedly continue to face challenges in the future but we will face them head on and work through them. If you have any questions, please do not hesitate to reach out as Pegasus is here to help navigate these uncertain times.

By, Jaysen Bohrod, CFA

Market Commentary

We have seen some continued volatility in the markets as the first quarter comes to a close. The S&P 500 finished 7.85% higher while the Dow Jones Industrial Average trended lower since the first of January, but rallied in the last few weeks of the quarter, finishing up 1.4%. The Nasdaq Composite, which is more heavily weighted with technology stocks, has increased 16.81%. This could be due to the interest rate sensitivity of large technology companies and the thought of a possible slowdown or pause in Federal Reserve interest rate hikes at some point this year.

Strain in the banking sector has spilled into the bond markets as continued fear of bank collapse drives cash savings into government securities. The 2-year US treasury rate rose to 5.066% in the beginning of March and since fell over 1% to a low of 3.83% amid the turmoil. The 10 year US Treasury rate had seen a similar path, but the yield only fell about 0.5% ending at 3.492%.

In the commodities markets, oil futures prices have fallen to a 52 week low of \$67 per barrel on expectations of decreased demand due to economic slowdown but ended the quarter flat at \$80 per barrel.

Gold, which is seen as a safe haven asset in times of uncertainty has increased to \$1970 per ounce, a 20% rise from the November low.

In the fourth quarter, real gross domestic product (GDP) increased 2.7% from the preceding quarter on continued strength in consumer spending.

Inflation for February remained high with an increase in the Consumer Price Index of 6% over the past 12 months. Gasoline prices fell but were offset by increases in food and shelter.

What is ChatGPT?

Artificial intelligence has been a big part of our daily lives for some time. Apple's Siri and Amazon's Alexa are two popular examples of AI powered virtual assistants that are used millions of times per day to complete various types of tasks. Whether it is a basic task like asking Siri what the weather will be for the afternoon or a more advanced task like asking Alexa to open the blinds on the living room windows, the programs analyze billions of bits of data to provide an answer or solution.

AI has also brought self driving cars into the conversation. At one point in time, it was thought that David Hasselhoff was the only person who would have access to a car like KITT. Now, fully autonomous driving technology is getting closer and closer to reality.

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What is ChatGPT?

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Recently, ChatGPT has gone mainstream for its advanced generative text responses. The many uses of a conversational AI language model make it a valuable resource.

Companies can use ChatGPT to provide customer support and answer frequently asked questions about a product or service. It can be used by individuals as a language translator which can help break down barriers in communication. Chatbots can be used in educational settings to deliver content to students, and by using artificial intelligence, can assess the process to make sure it is efficient and effective.

The new uses of artificial intelligence have people questioning how far can it go and whether the effects will be positive or negative for society. Recently, a letter signed by many of the world's tech leaders, including Elon Musk, has urged AI labs to slow or even halt the development of AI technology due to the speed of recent advances. Hopefully, as time goes on, we will see more positive outcomes from the use of AI that will benefit society in the long run.

Account Nicknames & Groups

Make it easier to view your accounts online at Schwab by creating personalized account nicknames (ex: Pat's IRA) or personalized groups (My Retirement Accts). To nickname your account titles, go to:

www.schwaballiance.com

-Click the 'Profile' tab at top right

-Click 'Account Groups' in drop down menu

-Enter Nicknames for each account

**To create groups of accounts, click "Create/Edit Custom Groups" to the right of the Nickname / Group columns.*

-Be sure to click the green "Submit" at the bottom before leaving the page.



Financial Focus: A Pegasus Newsletter

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Exclusive of charts

Taxes & Retirement Accounts

Please make tax payment requests by the first week in April 2023 to guarantee the payment is made on time.

- All 2022 retirement account contributions should be made by the first week in April 2023. Make checks payable to your account name and number and write the contribution year in the memo line. Use the Schwab Mobile App to electronically deposit your contribution check immediately. For electronic transfers, be sure to code the contribution for the correct year.

- Annual IRA & ROTH IRA contributions for
2022: \$6,000 per year if under age 50;
\$7,000 if 50 years old or older.
2023: \$6,500 per year if under age 50;
\$7,500 if 50 years old or older.

The total can't be more than your taxable compensation for the year.

- Tax Form 1099 & 1099-R is issued by Charles Schwab. For a copy of your tax forms visit:

www.schwaballiance.com

Click the 'Accounts' tab

Click the 'Statements' tab

Click the '1099 Dashboard'

Stock Market Holiday Calendar

The stock market, bond market and/or our office will be closed on the following days in 2023:

April 7th - Good Friday

May 29th - Memorial Day

**From Memorial Day-Labor Day our office closes at 4pm on Fridays*

June 19th - Juneteenth National Independence Day

July 4th - Independence Day

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