



# Advisor Analysis

Monthly Observations from CIO, Chris Zaccarelli

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## Markets in Review

Stock markets jumped again, with the S&P 500 adding 3.1% during March and increasing its year-to-date gains to 10.2%. The MSCI All Country World index also rose during the month, with a 2.9% increase, bringing its year-to-date return to 7.7%. The Bloomberg BarCap U.S. Aggregate Bond index also improved 0.9% during March, which reduces its year-to-date losses to -0.8%.

The stock market has risen for three months in a row, despite some setbacks in the fight against inflation, however, the Federal Reserve continues to indicate that they will cut rates three times this year and corporate profits continue to increase, so there have been fewer headwinds than usual.

## Monthly Highlights

- Inflation data continues to come in higher-than-expected
- An Islamic terror group killed 137 people in Russia
- The Fed is looking past the higher inflation data right now, viewing at it as a “bump in the road”

## News in Review

Below are some stories that caught our eye this past month. To learn more, follow the links to the full article.

### [Inflation Data from CPI Report Shows Sharper Price Gains](#)

The most recent CPI (Consumer Price Index) inflation report in March showed that overall prices in February were increasing 3.2% on an annual basis, which is slightly higher than the 3.1% annual rate observed during the month of January. However, the “core” price level, which excludes goods with more volatile price changes, showed an increase of 3.9%, which was the smallest since May 2021.

### [Who Are ISIS-K, the Group Linked to the Moscow Concert Hall Terror Attack?](#)

A terror attack at a concert hall in Russia that killed 137 people and wounded more than 100 others, was conducted by ISIS-K, a radical branch of the ISIS terror group. ISIS-K was formed in 2015 and is responsible for terror attacks in Afghanistan, Pakistan and Russia. Intelligence groups believe that although ISIS-K views the US, Russia and China as enemies of the “pure Islamic state” that they aim to create, they are more likely to attack inside Europe and Asia than in the continental United States.

## Fed Signals Three Rate Cuts Are Still Likely, Despite Inflation Uptick

Despite the recent uptick in inflation, Jerome Powell, the chairman of the Fed, maintained that the central bank is still likely to cut rates three times this year, reminding us that the fight against inflation would be a “bumpy ride” and saying that “now we have bumps.” The Fed funds rate still has an upper limit of 5.5% after an historic rate hiking cycle, but they have held rates steady since last Summer.

## Shipwreck Worth Billions Could be Recovered Soon - but It's a “Huge Challenge”

A Spanish ship filled with gold pieces, fine china, swords, etc. (currently estimated at \$17 billion) sunk off the coast of Columbia in 1708, but was discovered 307 years later. During the past 9 years, Columbia, Spain and Bolivian indigenous groups have been fighting over the rights to the treasure (the latter because they claim their ancestors mined them for the Spanish empire). Not only is it technically difficult to bring the items back to the surface – they are over 3100 feet below sea level – but it's unknown if many of the items would survive if they were brought back to land and exposed to oxygen.

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