



Dec 31, 2024

Winter is a season of reflection and preparation, reminding us that even in the stillness, growth is taking place beneath the surface.

**Year in Review**

- 30 year mortgage rates have risen to about 7.03% and the 15 year to 6.34%.
- Charles Schwab 1099s are due to be provided no later than mid February. If you have electronically delivery, you can find your 1099s at www.schwab.com. You will need your User name and password.
- As a reminder, your 1099s will have any realized gains and losses. AFA only provides supporting documentation and will refer to the 1099 for final figures.
- For large purchases: Cars, homes, vacations etc. Please contact our offices well in advance for any cash needs. Also, remember that there may be tax consequences on sales and distributions.

**BENCHMARKS YTD THROUGH 12/31/2024**

FTSE World Gov't Bond Index 3-7 Yr. Hedged	+3.47%
Russell 2000 (US Small Cap index)	+10.02%
S&P 500 (US Large Cap index)	+23.31%
Wilshire 5000 (US Total Market index)	+22.10%
MSCI EAFE (International Stock index)	+1.15%

**CURRENCY FLUCTUATIONS**

Currency fluctuations significantly influence stock prices, especially for companies involved in international trade or with global operations. A weaker domestic currency can benefit exporters by making their goods more competitive in global markets, potentially increasing revenue and driving stock prices higher. Conversely, it raises the cost of imports, which can squeeze the profit margins of companies reliant on foreign goods and materials, leading to lower stock valuations.

For multinational companies, currency movements create foreign exchange risks. Earnings generated overseas can lose value when converted into a stronger domestic currency, negatively affecting financial results and stock performance. On the other hand, a weaker domestic currency can amplify the value of these earnings, providing a boost to stock prices.

Currency strength also impacts investor sentiment and capital flows. A strong currency often signals economic stability, attracting foreign investment and boosting stock markets. In contrast, a weaker currency may lead to capital outflows and downward pressure on stock prices.

Certain sectors are more vulnerable to currency fluctuations than others. Globally focused industries like technology or consumer goods are heavily impacted, while domestically oriented sectors such as utilities are less affected. Additionally, central bank actions, which influence currency movements through interest rate changes, can indirectly impact stock valuations by affecting inflation and economic growth.

In summary, currency fluctuations affect stock prices through their impact on competitiveness, profitability, and investor sentiment. Understanding these dynamics is essential for investors navigating today's interconnected global markets.

**QUARTERLY CLIENT WEBINAR**

Date: Thursday, January 23rd, Starting time: 12:00 pm, Eastern Standard Time  
Meeting Number: 2864 133 8022  
Website link: <https://afadvisorsevents.webex.com/afadvisorsevents/j.php?MTID=mc8d535ad88750f1160717d9b0e5bd5bf>  
To join the teleconference only: US TOLL: +1-415-655-0002 Access code: 2864 133 8022 Password if asked: 0125  
If you cannot join us for this important webinar, we will post a recording of the entire presentation on our website at [www.afadvisors.com](http://www.afadvisors.com).