

## 2023 Market Trends: AI Soars, Magnificent Seven, BOI Deadline, & More!

1. AI All-Star – Nvidia, an artificial intelligence computing company, reached unprecedented highs, with its stock gaining 239% in 2023. This follows a market cap loss of 57% in 2022 (source: Yahoo Finance).
2. Tech Takeover – A new term has been coined to describe the top seven most influential companies in the stock market: The Magnificent Seven. These seven companies include Apple, Microsoft, Alphabet, Amazon, Nvidia, Tesla, and Meta Platforms (source: Yahoo Finance).
3. No More Hiding – The new Beneficial Ownership Information (BOI) report went into effect on January 1, 2024. Implemented by the Financial Crimes Enforcement Network (FinCEN), this information return looks to gather information surrounding Limited Liability Company (LLC) ownership. Applicable businesses have until January 1, 2025 to file the initial report. Fines for noncompliance are severe, up to \$500 each day the return is late, up to \$10,000, and up to two years in prison (source: Wolters Kluwer).
4. Back in Action – The \*S&P 500 finished 2023 up 24% compared to 2022's \$8 billion market cap loss, ending 2023 with a 9-week growth streak, which marks the longest increasing timeframe since January 23, 2004 (source: Market Watch).
5. The Fab Five – Five industries bolstered \*NASDAQ growth in 2023: technology with a 54% gain, construction growing by 50%, the automotive industry backed by Blue Bird's 159% growth, the retail sector with a 28% hike, and business services with a 22.5% jump (source: NASDAQ).
6. Estate Planning Frenzy – The lifetime estate tax exemption is set to revert back to around \$7 million beginning in 2026. This threshold is nearly cut in half from 2024's limit of \$13.61 million, which is doubled for married filing-joint taxpayers (source: Kiplinger).
7. Is Life Affordable Again? – 2023's average inflation rate rounded out at 3.4%, thanks in part to the back half of the year lingering in the 3s. This is less than half of 2022's average inflation rate of 8% but nowhere near 2020's rate of 1.2% (source: US Inflation Calculator).
8. Bouncing Back – Bondholders had more success in 2023, with a bond market gain of 4.2% compared to the -13% return that the \*\*Bloomberg U.S. Aggregate Bond Index generated. Double-digit losses were a common phenomenon for bondholders during 2022 (source: US Bank).
9. Buckets for Days – The Spring Valley High School single-game scoring record held by Larry Bird was just broken by Deion Edwards on January 13, 2024, who scored 56 points. Larry Bird set the original 56-point record on January 19, 1974 (source: WBRC).
10. Breaking Records, Not Hearts – The Green Bay Packers became the first 7th-seed team to win an NFL playoff game with their 48-32 win over the Cowboys on January 14<sup>th</sup>, 2023, led by rookie quarterback Jordan Love (source: Sporting News).

\*Definitions and Indexes

\*\*The Bloomberg U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market (source: Bloomberg)

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