



The mid-term elections are now behind us and now the market, in our opinion, seems to be focusing on FED speak, inflation, recession and fuel prices. Geopolitical issues may be creating some discontent among investors as well. These issues will eventually be resolved, and new issues will evolve. As much as we don't like it, we expect the environment to remain difficult for a while.

THE MARKET

The S&P 500 finished 2021 at 4766.18* up from the 2020 finish at 3756.07*. As of this writing, the S&P 500 stands at 3852.36*, down approximately 19.17%* so far in 2022. The S&P 500 remains more than 19.23% higher than the year-end close in 2019 of 3230.78*. Corporate earnings and employment are beginning to show signs of stress, as inflation creates further challenges for the economy. Challenges remain, but we continue to feel that patience will again be rewarded for investors focused on the longer-term.

*Source: Standard & Poor's Financial Services Company rate of return does not include reinvested dividends.

THE ECONOMY

According to the U.S. Labor Department in a statement released December 13, 2022, the Consumer Price Index (CPI) rose 7.1%, in November from the same month a year ago. The highest year over year rate, in this cycle, was 9.1% in June. Dealing with the highest inflation rates in 40 years is beginning to negatively impact our economy, in our opinion. The report shows food prices up 10.6% over the past year and electricity up 13.7% in the same period. The "core" CPI, which does not include food and energy, is up 6.0% vs a year ago, according to the Labor Department. The bottom line, in our opinion, is that inflation may have peaked, but is "sticky" and we will likely be faced with these higher price pressures for a few years. Consumers are traveling again and the service sector is recovering. We do feel the worst is likely behind us, but we are far from the end of the inflationary pressure.

AT THE FED

The Federal Open Market Committee (FOMC) released a statement December 14th, raising the Fed Funds target rate by 0.5% to 4.25%-4.50%. We expect the Fed to continue the rate hikes into next year. As we said in the September issue of "The Kinsey Report", in our opinion, the challenge they face may be rooted in the growth in the money supply. Inflation is in essence, too much money chasing too few goods. They continue to have a very difficult challenge in front of them to attempt to engineer a soft landing for the economy. We continue to believe it will take a bit of luck for them to accomplish that objective.



INVESTMENT COMMENTS

A few days ago, Ollie, Kristen's 2-year-old was in a bit of a bad mood. To be honest so was his Grandpa. Ollie's mood had to do with the word "No" and Grandpa's had to do with an uncooperative computer. Neither lasted very long. The markets have been in a bad mood as well... literally all year! Unfortunately, we expect that foul mood to continue into 2023. This mood will pass eventually, but we fear not as quickly as we would all like.

In times like these, we believe the best approach is likely patience. The economy will eventually slow enough that the FED will stop increasing interest rates. The markets will again perceive a bright future for business and we will all feel much better.

The question is: **When?**

The answer is: **"We are smart enough to know, that we are not smart enough to know."**

And in our opinion, no one is...

Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns.

Our Big Move!

As you likely know, in January, we will be moving to our new location:

**1310 E. Samuel Ave.
Unit 100
Peoria Heights, IL 61616!**

Our phone number will remain the same:

309-683-8951

Thank You!

Thank you for being so diligent on returning the **Consent to Assignment and Transfer** forms. We truly appreciate your trust and confidence. If you have not yet returned it, please do so. If you have not received the packet that includes the document, please give us a call and we will get a copy to you very quickly. At this writing, we are less than a month until the move.

Logistics

During the first couple of weeks of the transition, we will be working from home as they finish construction. During that time we will be available at the same telephone number and our technology will be available. *(Perhaps the COVID work from home period trained us for this transition.)*

2023 Calendars are in!

If you would like a pocket calendar, or are in need of an additional one, please give us a call at 309-683-8951. We have been told by a few clients that calendar function on their phone has replaced the pocket calendar. Therefore, even if you automatically received one in previous years, you may not this year unless you give us a call. Please let us know if and how many you may need.

Keith L. Kinsey, CFP®
Managing Director - Investment Officer

Kristen Kinsey-Gordon, CFP®
Vice-President - Investment Officer

6810 North Knoxville Avenue TEL: (309)683-8951
Peoria, IL 61614 Toll free:(800)634-3323
Wells Fargo Advisors FAX: (309)693-3349

www.kinseywmg.com

**Happy Investing!
May God Bless!**

Stocks offer long-term growth potential, but may fluctuate more and provide less current income than other investments. An investment in the stock market should be made with an understanding of the risks associated with common stocks, including market fluctuations. The opinions expressed in this report are those of the authors and are not necessarily those of Wells Fargo Advisors or its affiliates. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy.

Investment and Insurance Products: NOT FDIC Insured / NO Bank Guarantee / MAY Lose Value

The Kinsey Report

KINSEY
WEALTH MANAGEMENT GROUP
of Wells Fargo Advisors

Our Future Home!

by Keith Kinsey

With our upcoming move, we have been especially busy this Holiday Season. The new location is coming along well and they have now begun installing the drywall. I am amazed at the amount of electric and data cable that is needed in a relatively small commercial space! We feel extremely blessed that the project has gone as smoothly as it has. Each of the subcontractors has done everything in their power to complete the build out as rapidly as humanly possible. We now know more about building codes, fire codes, and ADA details than we ever imagined. To have such a large team working diligently to complete the project is amazing! Here is a picture of what it looked like a couple of weeks ago. With all the electric being installed, it doesn't look tremendously different today. But as the drywall is installed, the project will seem to move quite quickly. Although we will initially be working from home (*a bit like during 2020,*) we expect to be working from our new location, toward the end of January

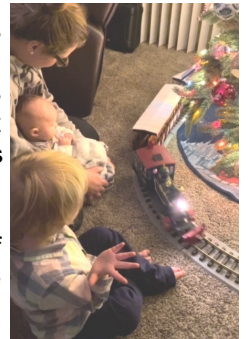


We appreciate your patience as we continue through this project!

The Christmas Train

by Keith Kinsey

Just after Thanksgiving, the Christmas decorating began at our house. I had just brought up the boxes containing the train for around the tree, when Kristen and the rest of the family came over with dinner. What a deal! Immediately Ollie was at my side, helping assemble the track. I explained the various parts, including the straight and curved track sections, clips, and pins to keep it in place. We had a great time working together to get it all set up. Soon Ollie, Aunt Kim and Tobbe were watching 'The Christmas Train' find its way around the tree. For the first 20 years of my life, my Dad and I spent many hours with the old Marx and Lionel trains he had as a kid. That evolved to building an HO scale layout that ran from one end of our basement to the other. All such wonderful memories! Now enjoying just a small part of that model train tradition with my grandsons brings moments I will cherish forever, and hopefully, as the years pass, they will as well!



Newborns & Shopping

by Kristen Kinsey - Gordon

As you can imagine, over the last 4 months, we have had quite a few sleepless nights in our house - with a newborn and a two-year-old. As much as I miss sleep, I do love the mid and late night snuggles with our little guy. It's funny the things I wind up thinking about, and actually doing at 3 a.m. as Tobbe takes a bottle.

Like many families, we share an online shopping account (*this makes our "you might also like" section very interesting.*) My Mom is the gatekeeper. She gets the emails of what we order, and then forwards them to us (*which also makes it very difficult to purchase her Christmas gift from the account.*)

One morning, I received a text from Mom: "Well I see you were Christmas shopping at 3:00am." This was true. For some reason... it has become my best time, the last few months, to order the boys clothes, Christmas gifts, etc. while being awake with Tobbe. Well then Mom proceeded to tell me about when she would be up in the middle of the night with me over 30 years ago. As many might remember - right before midnight - the Pledge of Allegiance would sound and the TV would go blank as a solid tone sounded... and that was it. Just a little different from shopping on my phone in the middle of the night.

It got me thinking... In just 30 years we have gone from the TV turning off at 12:00am to having the ability to watch virtually anything, at any time of the day or night, in the palm of our hand! Not to mention purchase almost anything 24/7 and have it show up on your doorstep within a week. I'm not saying this is a good thing all the time, but it is absolutely fascinating to think of how far technology has brought us. It makes me wonder... How will Oliver and Tobbe be buying Christmas gifts 30-years from now? Most likely, beginning on December 23rd like Chris and my Dad.

However you purchase your Christmas gifts, enjoy the wonder of this magical time of year!

Christmas Plans

Suffice it to say the team has been extremely busy with our upcoming move in a few weeks. But we all plan to enjoy Christmas plans with our families. Christina plans on celebrating Christmas at home with friends, and with her entire family at her sister Barb's on December 31st. Brandon's Dad is flying in from California for a couple of weeks, and will join the family at home in Emden for the holiday. Kristen and her family will celebrate with Chris's family prior to the holiday. They will be at home Christmas morning with the boys, and then walk down the street to join Keith, Karen, Kim and Keith's sister Kathi and her family for Christmas dinner, at Keith and Karen's. (*They certainly do enjoy the grandparent thing!*)

Have a Blessed Christmas and a Wonderful 2023!