**Checking in with Chris$$$$$**

**I hope everyone is having a safe and enjoyable summer!**  

**The Federal Reserve** continued to raise interest rates until the June meeting. They still do not see a rising unemployment rate or declining new plant and equipment orders. A lack of declining economic activity will cause the FED to increase interest rates at the July meeting and most likely again in the fall. This is very understandable as the United States is in the midst of its greatest reshoring of manufacturing in modern times. The uncertainty of China both politically and economically has lead CEO’s all over the country to at the very least nearshore some of their inputs, while others have done so with most if not all of them. The banking crisis in the first quarter has stabilized and now is limited to 10 – 13 banks who have exceptionally large commercial loan portfolios in office buildings. There are over 13,000 banks today, so the system is very sound and stable.

**Global Economic Recovery**: Several countries have witnessed a rebound in economic activity, fueled by fiscal stimulus packages and the resiliency of the private and public sectors to continue to spend money. As a result, we have witnessed improvements in GDP growth rates, reduced unemployment rates, and increased consumer spending. Billions are currently being poured into semi-conductor chip production as well as electric vehicle manufacturing. Tesla recently signed contracts with Ford, GM, Volvo, and Rivian to utilize their rapid charging network. Tesla’s goal of producing 20 million vehicles worldwide by 2030 is looking much more like a reality. They are building their largest plant in Monterey Mexico, with new one’s on the horizon in India, Indonesia, and France.

**Stock Market Performance**: The stock markets have displayed resilience, with major indices reaching new all-time highs. Tech stocks have continued to lead the way, benefiting from the accelerated digitization and remote work trends. However, concerns about inflation and rising interest rates have caused market volatility. We have a very narrow market with only 7 stocks responsible for almost all the gains in the S & P 500 in the first six months of the year. Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Tesla, and Nvidia are these stocks. These stocks have been interestingly named the magnificent seven.

**Artificial Intelligence (AI) Advancements**: Artificial Intelligence will continue to shape various industries, driving innovation and efficiency. In the second half of 2023, we can expect further advancements in AI technologies such as machine learning, natural language processing, and computer vision.

**Automation and Robotics**: The adoption of AI-driven automation and robotics will witness amazing growth. Companies across sectors, including manufacturing, logistics, and healthcare, will leverage AI-powered robots and automation to streamline operations, increase productivity, and reduce costs. New manufacturing plants are increasing their use of robots, some to as much as 80% of the operations needed.

**AI in Healthcare**: The healthcare industry will see increased utilization of AI technologies for diagnostics, drug discovery, and patient care. AI algorithms can analyze vast amounts of medical data, aiding in the identification of diseases, personalized treatment plans, and predictive analytics. Companies focusing on AI in healthcare, such as diagnostic imaging providers, telemedicine platforms, and pharmaceutical research firms, should be huge beneficiaries of these recent technologies.

**Smart Cities and IoT**: AI-powered technologies will contribute to the development of smart cities. With the integration of the Internet of Things (IoT) and AI analytics, cities can optimize energy consumption, improve transportation systems, enhance public safety, and enable efficient resource management. Almost every company has an initiative to adopt AI along with universities creating courses almost overnight for specializing in the benefits of an AI degree or certification.

**Customer Experience and Personalization**: AI-driven algorithms will continue to refine customer experience and personalization across industries. Companies such as Amazon, Target, Macy’s, Salesforce, Google, and Ford will use AI to analyze customer data and provide tailored recommendations, personalized marketing campaigns, and virtual assistants to gain a competitive edge.

**AI in Cybersecurity**: As cyber threats become more sophisticated, AI will play a crucial role in cybersecurity. AI algorithms can detect anomalies, identify potential threats, and enhance defense mechanisms. Palo Alto Networks, Crowdstrike, Cloudflare, Zscaler, Okta, Sentinel One, and Fortinet are poised to exponentially benefit from these changes throughout the decade.

Our world is changing at the fastest rate I have ever seen. We will see entire new industries form into multibillion dollar enterprises in the next SIX months. Smart buildings will become commonplace as the utilities may only be on when they are occupied, not the entire day. We are less than two years from fully autonomous driving, which seems very scary, and intriguing at the same time. I believe we will see 100 years of innovation… in the next five years. Buckle up… it is going to get WILD!!!

Here is an example… ***the first car to fly*** was certified this week by the FAA to go into test production!



***May the remainder of 2023 bring you triumphs and prosperity!***