

## Lesson 5 (Jan. 10): 2023 Year in Review

- Best Performing Stocks of 2023
  - *Nvidia (NVDA)*: high-end semiconductor stock; best performing stock on the S&P 500
  - Meta Platforms: includes Facebook and Instagram
  - Royal Caribbean (RCL): Cruise line; rebounded from losses during COVID
- Worst Performing Stocks of 2023
  - Solaredge Technologies (SEDG): Solar energy industry; demand for such systems decreased
  - Enphase Energy (ENPH): Produces solar microinverters
  - FMC Corporation (FMC): Agricultural chemical specialist
- Top Investment Themes
  - Generative AI products, such as ChatGPT
  - Cryptocurrencies, such as Bitcoin (BTC)
- Market Summary
  - Overall performed better than anticipated
  - S&P 500 had a return of approximately 23%
  - S&P/TSX Composite Index had a return of 11.8%
- Interest Rate Summary
  - Highest interest rate since 2001
  - Contributed to the widespread housing crisis
- Inflation Summary
  - Fluctuating inflation rate
  - January 2023 = 6%; 3% in December 2023
  - A normal inflation rate is approximately 2-3%
- 2024 Predicted Trends
  1. ESG
    - Increase in ESG reporting and tracking
    - Increased transparency to shareholders
    - Sustainable bonds
    - Focus on climate action
    - Greenwashing
  2. Generative AI
    - Overall exploration into how to best utilize AI in each industry
  3. Rising Interest Rates
    - A rise in yields which presents investment opportunities for retail investors such as financial institutions and technology companies
    - Health care and utility companies outperform other sectors during such times as they are a stable option in volatile markets
  4. Cash is King

- Many investors and hedge fund managers find comfort in cash, among global tensions, prolonged inflation, deficits and increasing student loan debt
- While analyzing past performance can be helpful to better understand the markets, specific companies and economic conditions, past performance is not indicative of future results