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INCISIVE INVESTOR

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WEEK IN REVIEW STOCKS SLIDE FOR THE WEEK

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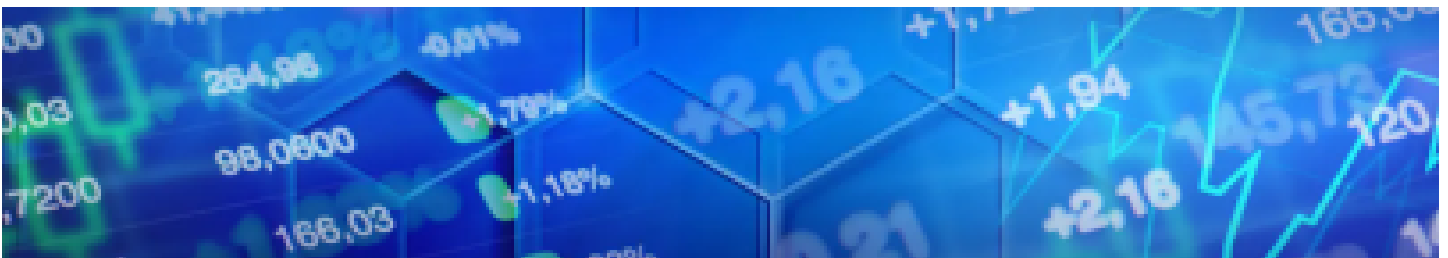
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U.S. stocks ended higher Friday, with the Dow Jones Industrial Average, S&P 500, and Nasdaq Composite each snapping two straight days of losses. Still, all three major benchmarks finished with weekly losses as investor worry about the Federal Reserve's path of monetary tightening.

The Dow Jones Industrial Average DJIA rose 199.37 points, or 0.6%, to close at 33,745.69. The S&P 500 SPX gained 18.78 points, or 0.5%, to finish at 3,965.34. The Nasdaq Composite COMP edged up 1.1 points or less than 0.1%, to end at 11,146.06.

For the week, the Dow slipped less than 0.1%, while the S&P 500 shed 0.7% and the Nasdaq Composite fell 1.6%, according to FactSet data.



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FED delivers mostly hawkish message

Federal Reserve policymakers delivered a hard message amid the release of inflation data a week ago. With a variety of views expressed, most of the commentary suggests that while rates will likely rise slower than they have in recent months, they will likely need to go higher than previously expected. Among the most hawkish views were those of Federal Reserve Bank of St. Louis President James Bullard, who in a presentation said that rates may have to rise to between 5% and 7% in order to be sufficiently restrictive to bring down inflation. A survey of consumer expectations published by the Federal Reserve Bank of New York this week said that inflation expectations increased in the short, medium, and longer terms, which is an unwelcome finding for policymakers.

Bullard later clarified that, at a minimum, rates should be raised to 5% to 5.25%, which is up from his earlier view of at least 4.75% to 5%.

Parties divide control of US Congress

Republican lawmakers secured a narrow majority in the US House of Representatives this week. The Democrats will retain control of the Senate, even if the Republicans win a runoff election in Georgia on December 6th.

Vice President Kamala Harris could break any tie in what an evenly divided chamber would then be. With control of the House in Republican hands, the White House faces

an uphill battle in passing major pieces of President Joe Biden's agenda. On Thursday, Nancy Pelosi, the speaker of the House and leader of the House Democrats since 2003, announced she will not seek a leadership post in the next Congress.

G20 meeting eases Strains in US-China relations

China's Xi Jinping and President Biden meet in Bali on Monday on the sidelines of the G20 summit. While no major diplomatic advances were made, both sides agreed to keep the lines of communication open. The next steps in that process include a diplomatic mission to China by US Secretary of State Anthony Blinken. According to the Council on Foreign Relations, "While the meeting between Biden and Xi did not lead to any breakthroughs in the US-China relationship, that was a bar too high given the state of relations. Instead, both sides signaled that they wanted to establish a floor for the relationship and build guardrails to prevent competition from turning to conflict."



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HEADLINERS

The Conference Board's Index of Leading Economic Indicators fell 0.8% in October, and September's reading was revised lower. The index has fallen for eight straight months and nine out of the past ten.

Freddie Mac reported on Thursday that the average 30-year US mortgage rate declined to 6.61% from 7.08%, the largest weekly drop since 1981. Falling US Treasury yields in the wake of last week's soft inflation data helped fuel the drop.

The yield on the US 10-year note traded 70 basis points below the 2-year note on Friday morning, the deepest inversion since the double-dip recession of the early 1980s.

US October retail sales rose a stronger-than-expected 1.3% in October, the largest jump in eight months, bolstering the narrative that consumer balance sheets remain relatively robust but also complicating the Fed's task of slowing the economy to harness inflation.

Former US President Donald Trump announced on Tuesday that he will seek the 2024 Republican nomination for president.

The population of the world reached 8 billion this week, according to the UN.

US consumer debt rose 8.3% year over year in the third quarter to \$16.5 trillion. That's the biggest jump since the first quarter of 2008. While most of the increase was mortgage debt, credit card balances rose 15% from a year earlier, the largest rise in

20 years. Nonetheless, delinquency rates remain low.

MAJOR STOCK MOVES



Gap Inc. GPS shares rose 7.6% after the retailer swung to a surprise quarterly profit and reported sales above Wall Street's expectations, saying it expects to better match the inventory with demand by spring.

Applied Materials Inc. AMAT edged up 0.2% after reporting stronger-than-expected earnings and revenue.

JD.com Inc.'s JD American depositary shares fell 2.5% after the China-based e-commerce company reported third-quarter profit that nearly doubled to beat expectations by a wide margin.

Coinbase Global Inc. COIN shares dropped 7.2% after Bank of America downgraded Coinbase to neutral from buy, saying that the FTX debacle raises "contagion risk" for the crypto exchange platform, even if it is not another FTX.



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WOMEN AND FINANCIAL STRATEGIES

Most women don't shy away from the day-to-day financial decisions, but some may be leaving their future to chance. [Click to learn more.](#)

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