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MARKET INSIGHTS

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MARKETS CAUTIOUS AFTER BANKING WOES

Amid the reverberations of two U.S. banks being taken over by regulators and the spread of uncertainty to European banks, stocks trended higher last week on the strength of the technology sector.

The Dow Jones Industrial Average was flat (-0.15%), while the Standard & Poor's 500 rose 1.43%. The Nasdaq Composite index picked up 4.41%. The MSCI EAFE index, which tracks developed overseas stock markets, dropped 3.12%.

Market Index	Close	Week	Y-T-D
DJIA	31,861.98	-0.15%	-3.88%
NASDAQ	11,630.51	+4.41%	+11.12%
MSCI-EAFE	1,988.12	-3.12%	+2.27%
S&P 500	3,916.64	+1.43%	+2.01%



	Treasury	Close	Week	Y-T-D
	10-Year Note	3.38%	-0.31%	-0.49%

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Stocks Gain Despite Banking Woes

Stock prices gyrated as investors wrestled with banking troubles that appeared to spread to Europe. Worries of financial instability rocked financials and sent bond yields falling. While the rush into Treasuries was expected, the dash into technology stocks was a surprise. Falling yields made the high-growth names more attractive, though investors targeted their buying in high-quality companies that offered defensive characteristics, such as profits, healthy cash flows, and strong balance sheets.

When Switzerland's central bank provided a lifeline to a troubled Swiss bank, and a group of U.S. banks provided aid to a struggling regional bank, stocks powered higher on Thursday. Banking jitters, however, returned on Friday, closing out a tumultuous week and paring some of the week's gains.

Reverse Psychology

Less than two weeks ago, Fed Chair Jerome Powell testified interest rates might have to be hiked higher and faster. Since then, two U.S. banks were

placed in receivership, sparking worries of financial instability, and changing the market's outlook on future rate hikes.

The question now is if the Fed will hike short-term rates at all. By Thursday, traders saw an 18.1% probability of no rate increase at the March Fed meeting, which concludes this Wednesday. Just a week ago, it was a 0% chance. Traders also see a 0% chance of a 50-basis point rate increase in March. A week earlier, there was a 68.3% probability. Where the market previously saw little likelihood of a rate cut this year, the probability of a rate cut by July was 63.7% by Thursday.

Key Economic Data

Tuesday: Existing Home Sales.

Wednesday: FOMC Announcement.

Thursday: Jobless Claims. New Home Sales.

Friday: Durable Goods Orders.
Purchasing Managers' Index (PMI)
Composite Flash.

Companies Reporting Earnings

Tuesday: Nike, Inc. (NKE).

Thursday: General Mills, Inc. (GIS),
Darden Restaurants, Inc.

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MARKET INSIGHTS

FOOD FOR THOUGHT

"Careers aren't defined by what you say yes to. They're defined by what you say no to."

– **Brenda Song**

TAX TIP

5 Things You Can Find on IRS.gov

The IRS website has a wealth of information outside of just tax filing information. Here are some things you can find on the site that might help you as a taxpayer:

1. The Taxpayer Bill of Rights - This set of fundamental rights tells you what to expect when dealing with the IRS.
2. Resources on how to apply for 501(c)(3) status - There are webinars and resources to help organizations apply for and maintain their tax-exempt status.
3. information on IRS tax volunteer opportunities - Learn how to give back and help people file their taxes.
4. information on the latest tax scams - Know what to look out for and how to stay safe. The Interactive Tax Assistant - Get personalized answers to your tax questions.

*This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

HEALTH LIVING TIP

Spring Showers Bring... Rainwater Collecting?

We all know the saying, "April showers bring May flowers," but spring showers also bring an excellent opportunity to collect rainwater!

Collecting rainwater is a great way to conserve water, decrease water bills, lower demand for freshwater resources, slow erosion in dry environments, and reduce flooding. Collecting rainwater at home can be simple. One way is to collect the runoff from your gutter in a bucket or container. You can then use that water for gardening, watering indoor plants, filling the toilet tanks, washing your car, or storing it as emergency water in the case of a fire. While rainwater collection is legal in all 50 states, be aware that some states have restrictions on collecting and using it, so check them before you begin!



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WEEKLY RIDDLE



We know that a seahorse isn't a horse, and we know that a silverfish isn't a fish. For that matter, a snakehead isn't a snake – but what is it?

Riddle from last edition: About 90% of this country's land area is made up of arid tan desert, yet its flag was once solid green (until 2011) – in fact, at one time it was the only nation in the world with a flag containing just one color. What nation is this? Answer: Libya.

PHOTO OF THE WEEK



Spotted leopard at night, Masai Mara National Reserve, Kenya



Do you have questions about your finances, the market, or the economy?

Park 10 Financial has the knowledge and expertise to answer all of your concerns.

Email: info@park10financial.com