

## March 21, 2022 Weekly Market Insights

With the Fed embarking on a new course of monetary tightening amid continued fighting in Ukraine, stocks staged a powerful, broad-based rally last week.

The Dow Jones Industrial Average jumped 5.49%, while the Standard & Poor's 500 gained 6.16%. The Nasdaq Composite index soared 8.18% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, advanced 5.17%.<sup>1,2,3</sup>

## MARKET INSIGHTS



Market Index	Close	Week	Y-T-D
DJIA	34,754.21	+5.49%	-4.36%
NASDAQ	13,893.84	+8.18%	-11.19%
MSCI-EAFE	2,149.68	+5.17%	-7.98%
S&P 500	4,463.09	+6.16%	-6.36%



Treasury	Close	Week	Y-T-D
10-Year Note	2.14%	+0.14%	+0.62%

Sources: The Wall Street Journal, March 18, 2022; Treasury.gov, March 18, 2022  
Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, March 11, to Friday, March 18, close. Weekly performance for the MSCI-EAFE is measured from Friday, March 11, open to Thursday, March 17, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

### Stocks Roar

After surrendering gains on Monday, stocks surged higher for four consecutive days. The rally was propelled by strong economic data, the outcome of last week's Federal Open Market Committee (FOMC) meeting, and reports that Russia made interest payments on its sovereign debt, avoiding technical default.

The uptrend began with a drop in oil prices and a lighter-than-expected wholesale inflation report. Stock prices initially buckled following Wednesday's hawkish FOMC announcement, but turned higher as investors interpreted the Fed's news as a welcome plan to combat inflation. Stocks extended their gains into the final two trading sessions, cementing their best weekly performance since November 2020.<sup>4</sup>

### The Fed's Plan

For the first time since 2018, the Federal Reserve hiked the federal funds rate, increasing it by 0.25% and signaling that it expected to raise rates at a faster pace than originally outlined in December. Based on its projections of future fed fund rates, the Fed may implement seven quarter-point rate hikes this year and another three to four next year.<sup>5</sup>

In a statement following the FOMC meeting, Fed officials expressed rising concerns over inflationary pressures made more acute by the war in Ukraine. Members also indicated that they would soon announce a plan to reduce the Fed's \$9 trillion balance sheet.<sup>6</sup>

### This Week: Key Economic Data

**Wednesday:** New Home Sales.

**Thursday:** Jobless Claims, Durable Goods Orders, Purchasing Managers' Index (PMI) Composite Flash.

**Friday:** Consumer Sentiment.

Source: Econoday, March 18, 2022

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

### This Week: Companies Reporting Earnings

**Monday:** Nike, Inc. (NKE).

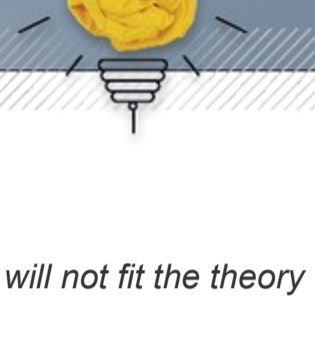
**Tuesday:** Adobe, Inc. (ADBE).

**Wednesday:** General Mills, Inc. (GIS).

Source: Zacks, March 18, 2022

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

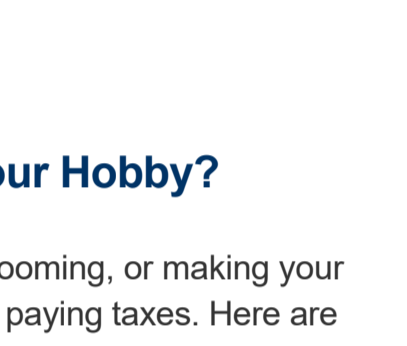
## FOOD FOR THOUGHT



*"Everything must be taken into account. If the fact will not fit the theory — let the theory go."*

— Agatha Christie

## TAX TIP



### Do You Have to Pay Taxes on Your Hobby?

Whether you picked up embroidering, dog grooming, or making your jewelry, a side hobby may or may not require paying taxes. Here are some things to consider when determining whether your activity is a hobby or business:

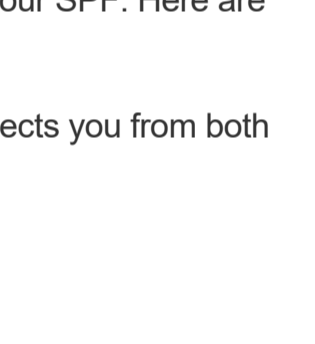
- Is your hobby carried out in a businesslike manner?
- Do you maintain complete and accurate books and records for your hobby?
- Is the effort you put into your hobby intended to make a profit?
- Do you depend on the income from your hobby for your livelihood?
- Do you have the knowledge needed to carry out your hobby as a successful business?
- Have you made a profit from your hobby?

If you receive income from your hobby with no intention of making a profit, you may have to report the income to the IRS.

\* 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.

Tip adapted from IRS.gov<sup>7</sup>

## HEALTHY LIVING TIP



### How Well Do You Know Your SPF?

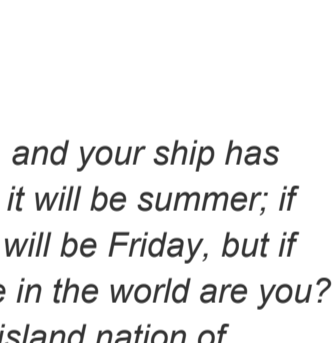
We all know that protecting your skin from the sun is important, but did you know that not all sunscreens are made equal? Dermatologists have some specific recommendations when it comes to your SPF. Here are some tips:

- Choose a broad-spectrum sunscreen that protects you from both UVB and UVA rays.
- Always use at least SPF 30.
- Choose a water-resistant sunscreen.
- Don't forget your lips! Apply sunscreen to your lips or use a chapstick with SPF 30 or higher.
- Reapply your sunscreen every 2 hours or more often if you're in the water or sweating a lot.
- Apply enough sunscreen to cover all skin that clothing will not cover. Most adults need about 1 ounce — or enough to fill a shot glass — to fully cover their body.
- Apply your sunscreen 15 minutes before going outdoors.

These tips will help you choose the best sunscreen to protect your skin for years to come.

Tip adapted from American Academy of Dermatology<sup>8</sup>

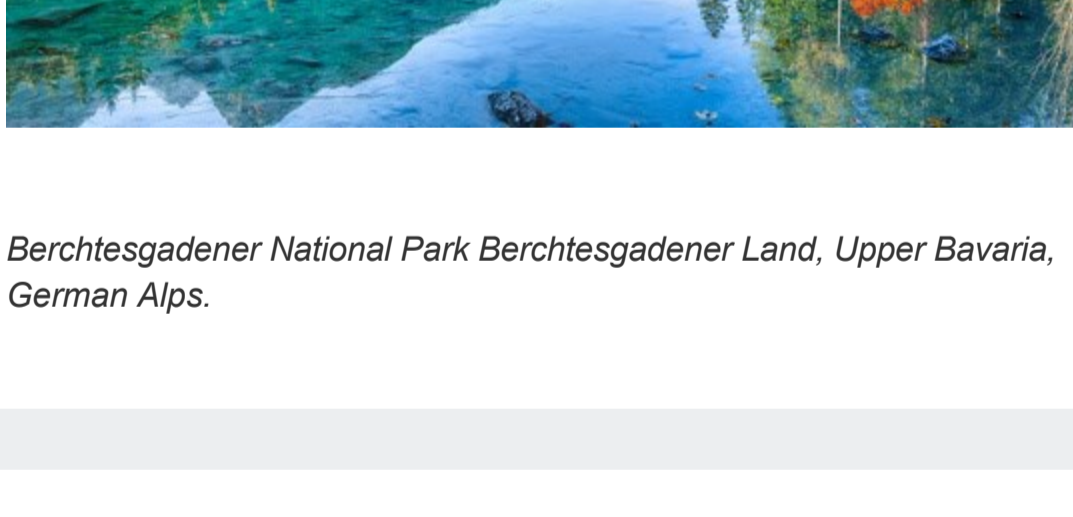
## WEEKLY RIDDLE



Two lawyers sit at opposite ends of a large conference table. Nothing is in between them but the table, yet they don't see each other. How is this possible?

*Last week's riddle: You are at sea, it is mid-July, and your ship has reached a unique spot on earth. If you sail north, it will be summer; if you sail south, it will be winter. If you sail east, it will be Friday, but if you sail west, it will be Saturday. Precisely where in the world are you? (Hint: your ship is in the Pacific Ocean, near the island nation of Kiribati.) Answer: You are at the intersection of the International Date Line and the Equator.*

## PHOTO OF THE WEEK



Berchtesgadener National Park Berchtesgadener Land, Upper Bavaria, German Alps.

### Footnotes and Sources

1. The Wall Street Journal, March 18, 2022
2. The Wall Street Journal, March 18, 2022
3. The Wall Street Journal, March 18, 2022
4. CNBC, March 18, 2022
5. The Wall Street Journal, March 16, 2022
6. The Wall Street Journal, March 16, 2022
7. IRS.gov, June 30, 2021
8. AAD.org, September 30, 2021

Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.

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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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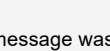
Please consult your financial professional for additional information.

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