

Weekly Market Insights

June 13, 2022

A higher-than-expected inflation report triggered a sell-off on Friday, leaving stocks in the red for the week.

The Dow Jones Industrial Average lost 4.58%, while the Standard & Poor's 500 dropped 5.05%. The Nasdaq Composite index slid 5.60% for the week. The MSCI EAFE Index, which tracks developed overseas stock markets, declined 1.81%.

MARKET INSIGHTS



Market Index	Close	Week	Y-T-D
DJIA	31,392.79	-4.58%	-13.61%
NASDAQ	11,340.02	-5.60%	-27.52%
MSCI-EAFE	1,992.38	-1.81%	-14.71%
S&P 500	3,900.86	-5.05%	-18.16%



Treasury	Close	Week	Y-T-D
10-Year Note	3.16%	+0.22%	+1.64%

Sources: The Wall Street Journal, June 10, 2022; Treasury.gov, June 10, 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, June 3, to Friday, June 10, close. Weekly performance for the MSCI-EAFE is measured from Friday, June 3, open to Thursday, June 9, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Inflation Upends Stocks

Stocks gyrated between gains and losses last week until sliding lower on Friday's hot inflation report, which heightened worries over a more aggressive Fed and a further economic slowdown. Stocks moved higher to begin the week, despite rising bond yields, a profit warning from a major retailer, and Senate testimony by Secretary of Treasury Janet Yellen, who said that inflation was likely to remain elevated.

Stocks turned lower later in the week on renewed concerns of an economic slowdown, sparked by a downward revision in The Federal Reserve-Atlanta's real-time estimate of second-quarter GDP growth and a drop in new mortgage applications. Investors lightening up on stocks ahead of Friday's inflation report may have also contributed to Thursday's selling.

Inside Inflation

Consumer prices rose 8.6% year-over-year in May, marking the highest rate since December 1981. Price increases over the last 12 months were driven by a 34.6% jump in energy prices and by food costs, which climbed 10.1%. Used car and truck prices, which had seen three straight months of declines, rose 1.8% from April, while airfares soared 12.6% in May.⁴

May's inflation exceeded economists' forecasts and dashed the hopes that inflation had plateaued. In a separate economic report on Friday, real wages (net of inflation) fell 0.6% in April and were lower by 3% from 12 months ago.⁵

This Week: Key Economic Data

Tuesday: Producer Price Index.

Wednesday: Retail Sales. FOMC Announcement.

Thursday: Jobless Claims. Housing Starts.

Friday: Industrial Production. Index of Leading Economic Indicators.

Source: Econoday, June 10, 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.

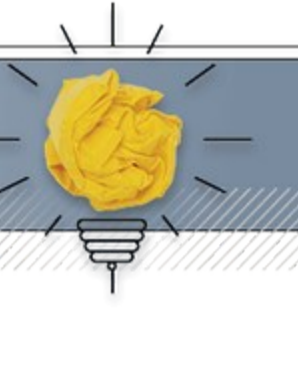
This Week: Companies Reporting Earnings

Thursday: Adobe, Inc. (ADBE), The Kroger Co. (KR).

Source: Zacks, June 10, 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.

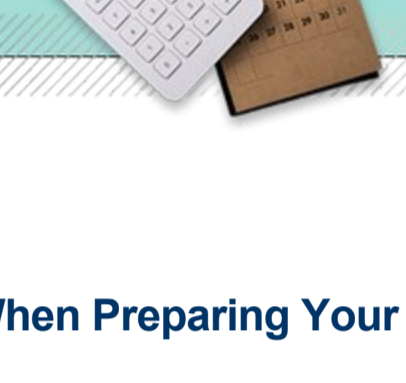
FOOD FOR THOUGHT



"To look back is to relax one's vigil."

— Bette Davis

TAX TIP



A Checklist of Common Errors When Preparing Your Tax Return

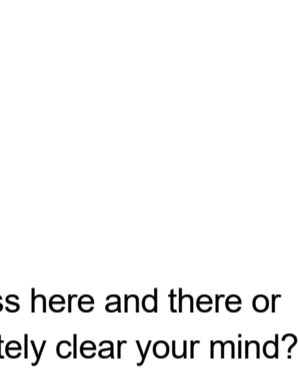
Properly preparing your tax return can be tricky, but here are some tips to help you avoid common errors:

- Submitting your tax return online ensures greater accuracy than mailing it in. The e-file system can detect common errors and send your filing back to you for you to correct, saving you a ton of time in processing and delays.
- Make sure to clearly print or type your full name, taxpayer identification number or SSN, and current address (including zip code).
- Choose only one correct filing status.
- Enter your income on the correct lines and include a Form 1040 to declare additional income and adjustments as needed.
- Put brackets around negative amounts.
- Keep a copy of the signed return and schedules for your records.

* 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.gov⁶

HEALTHY LIVING TIP



What is Mindfulness?

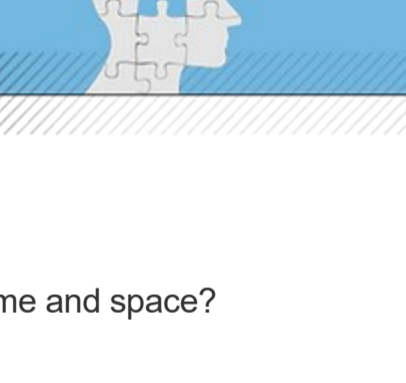
You may have heard various definitions of mindfulness here and there or have your own ideas about what it is. Do you completely clear your mind? Is there more to it?

Interestingly, mindfulness is as simple as it sounds. It refers to the state of being fully present in where you are and what you're doing. You can practice mindfulness as you're driving, as you're walking your dog, or as you're playing with your children. It's practicing being in the here and now and not letting your mind take you out of the present moment. These obsessive thoughts can lead to anxiety and stress.

To practice mindfulness, take a simple activity, like drinking your cup of coffee, and think about every sensation you're experiencing. It takes practice but is worth it to improve your mental strength!

Tip adapted from Mindful⁷

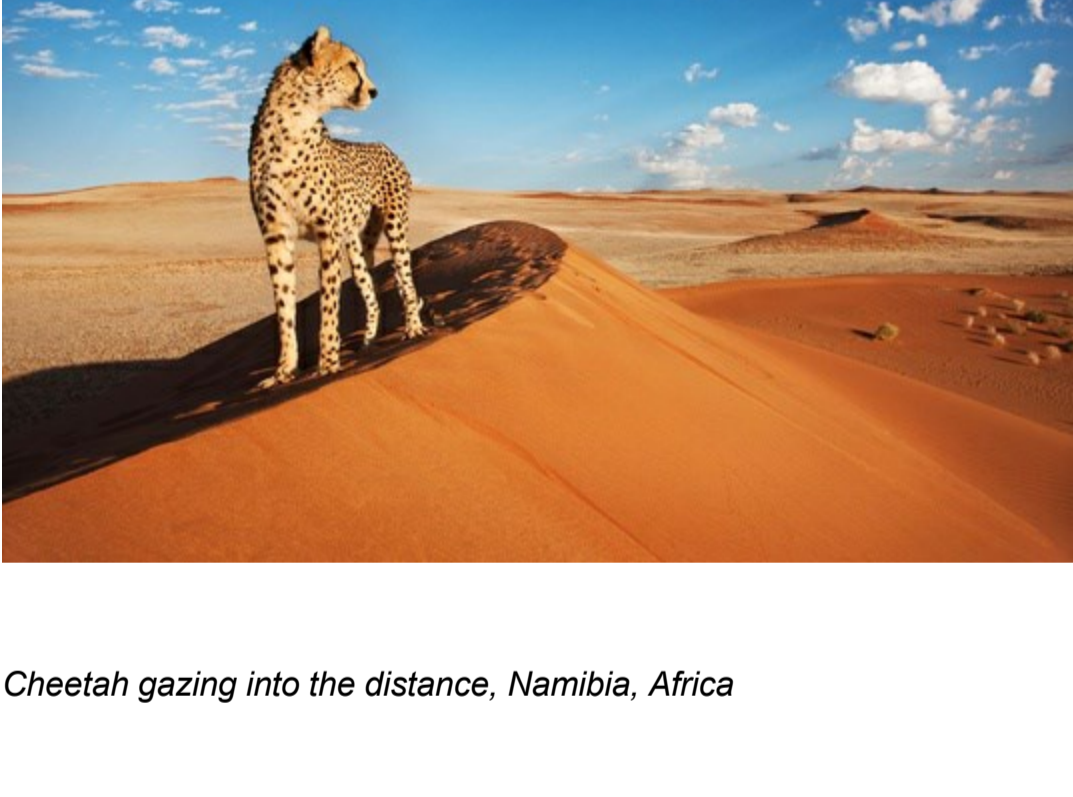
WEEKLY RIDDLE



What surrounds everyone and is the end of time and space?

Last week's riddle: There is a 5-letter, single-syllable word that you can take 4 letters out of, leaving you with only a single letter that has the same pronunciation as the original 5-letter word. What is this word? (Hint: it involves waiting in line.) Riddle answer: Queue.

PHOTO OF THE WEEK



Cheetah gazing into the distance, Namibia, Africa

Footnotes and Sources

1. The Wall Street Journal, June 10, 2022
2. The Wall Street Journal, June 10, 2022
3. The Wall Street Journal, June 10, 2022
4. CNBC, June 10, 2022
5. CNBC, June 10, 2022
6. IRS.gov, January 3, 2021
7. Mindful.org, July 8, 2020

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.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals who directly invest in unmanaged indexes. Past performance does not guarantee future results.

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.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

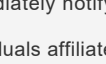
Please consult your financial professional for additional information.

This content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG is not affiliated with the named representative, financial professional, Registered Investment Adviser, Broker-Dealer, nor state- or SEC-registered investment advisory firm. The opinions, broker-dealer, and material provided are for general information, and they should not be considered a solicitation for the purchase or sale of any security.

Copyright 2022 FMG Suite.

Mark Baca
mbaca@thebacagroup.com
(916) 362-4107

The Baca Group, Inc.
Registered Representative
<http://www.thebacagroup.com/>



Securities and advisory services offered through Cetera Advisor Networks LLC, member FINRA/SIPC (doing insurance business in CA as CFGAN Insurance Agency LLC), a broker/dealer and a Registered Investment Advisor. Cetera is under separate ownership from any other named entity. CA insurance license #0427344

Confidentiality Notice: This email transmission and its attachments, if any, are confidential and intended only for the use of particular persons and entities. They may also be work product and/or protected by the attorney-client privilege or other privileges. Delivery to someone other than the intended recipient(s) shall not be deemed to waive any privilege. Review, distribution, storage, transmittal or other use of the email and any attachment by an unintended recipient is expressly prohibited. If you are not the named addressee (or its agent) or this email has been addressed to you in error, please immediately notify the sender by reply email and permanently delete the email and its attachments

Individuals affiliated with this broker/dealer firm are either Registered Representatives who offer only brokerage services and receive transaction-based compensation (commissions), Investment Adviser Representatives who offer only investment advisory services and receive fees based on assets, or both Registered Representatives and Investment Adviser Representatives, who can offer both types of services.

This informational email is an advertisement and you may opt out of receiving future emails. To opt out, please click the "Unsubscribe" link below.

This message was sent by
The Baca Group, Inc.
(916) 362-4107
3100 Zinfandel Drive
Suite 260
Rancho Cordova, CA 95670

[Unsubscribe](#)