



MARKET INSIGHTS

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Market Index	Close	Week	Y-T-D
DJIA	30,822.42	-4.13%	-15.18%
NASDAQ	11,448.40	-5.48%	-26.82%
MSCI-EAFE	1,806.03	-1.78%	-22.69%
S&P 500	3,873.33	-4.77%	-18.73%



	Treasury	Close	Week	Y-T-D
	10-Year Note	3.45%	+0.12%	+1.93%



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Inflation Deflates Markets

Stocks suffered their worst day in more than two years last Tuesday as markets were caught off-guard by a higher-than-anticipated August inflation report.

Markets expected the August report to show a substantial cooling of inflation, potentially allowing the Fed to ease up on interest rate hikes. Instead, the elevated inflation number not only undercut those easing hopes but raised the possibility of a more significant rate hike. On Tuesday, traders assigned a 28% probability of a 100-basis point hike, from a 0% chance just the day before. Price action remained choppy for

the remainder of the week, closing the week with additional losses as a global package-delivery company warned of a worldwide recession.

August CPI Disappoints

August's Consumer Price Index (CPI) rose 8.3% from a year ago, showing a continued deceleration in price increases (July's CPI was 8.5%, and June's was 9.1%). Despite moderating price increases, traders were disappointed, given the general expectation of a more substantial slowdown in inflation.

Core inflation (excluding food and energy) was particularly alarming to

investors, which jumped 6.3% year-over-year. That number was well above the 5.9% rate from June and July. From the market's perspective, sufficient inflationary pressures exist for the Fed to maintain its hawkish interest rate policy for possibly longer than investors had hoped.

This Week: Key Economic Data

Tuesday: Housing Starts.

Wednesday: Federal Open Market Committee (FOMC) Meeting

Announcement. Existing Home Sales.

Thursday: Index of Leading Economic Indicators. Jobless Claims.

Friday: Purchasing Managers' Index (PMI) Composite.

This Week: Companies Reporting Earnings

Monday: AutoZone, Inc. (AZO).

Wednesday: General Mills, Inc. (GIS).

Thursday: Costco Wholesale Corporation (COST), FedEx Corporation (FDX), Lennar Corporation (LEN).

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FOOD FOR THOUGHT



"There is nothing in a caterpillar that tells you it's going to be a butterfly."

– **Buckminster Fuller**

TAX TIP



How to Find Tax Help in Other Languages

The IRS currently translates important and helpful tax information in seven languages, including:

- Spanish
- Chinese (Traditional)
- Chinese (Simplified)
- Korean
- Russian
- Vietnamese
- Haitian Creole

Some multilingual resources include The Taxpayer Bill of Rights, important filing information, e-file resources, forms and publications, and the IRS2Go mobile app.

For access to information in these languages, taxpayers can click on the English dropdown tab in the top menu

bar on the IRS.gov home page. The dropdown will list the other languages a taxpayer can choose to view IRS.gov pages. In addition, the IRS also offers interpreter services in more than 350 languages.

** 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



What is Pickleball?

Pickleball has taken the world by storm, and for a good reason! The game is easy to play, it's great exercise, and you can play at many different levels.

Pickleball combines tennis, ping pong, and badminton elements to create an addicting and fun sport. To play, you hit a Wiffle ball (a plastic ball with holes) with a paddle on a badminton-sized court. There are some unique rules to pickleball, but overall, it has simple gameplay and is super fun.

If you want to start playing pickleball, check out your local parks and tennis courts! More and more areas offer open play, rec leagues, and lessons for players of all levels.

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WEEKLY RIDDLE



We all have one, and even though it often demands an answer, it offers no question. What is this everyday item?

Riddle from last edition: A sudden noise startles a gopher, an owl, and a skunk at the edge of a forest. The owl flies off and the gopher retreats into his burrow, but the skunk runs for the trees. How far can that skunk run into the forest? **Riddle answer:** Halfway; after it gets halfway into the forest, it is running out of the forest.

PHOTO OF THE WEEK



Azenhas do Mar, Lisbon District, Portugal



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.

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