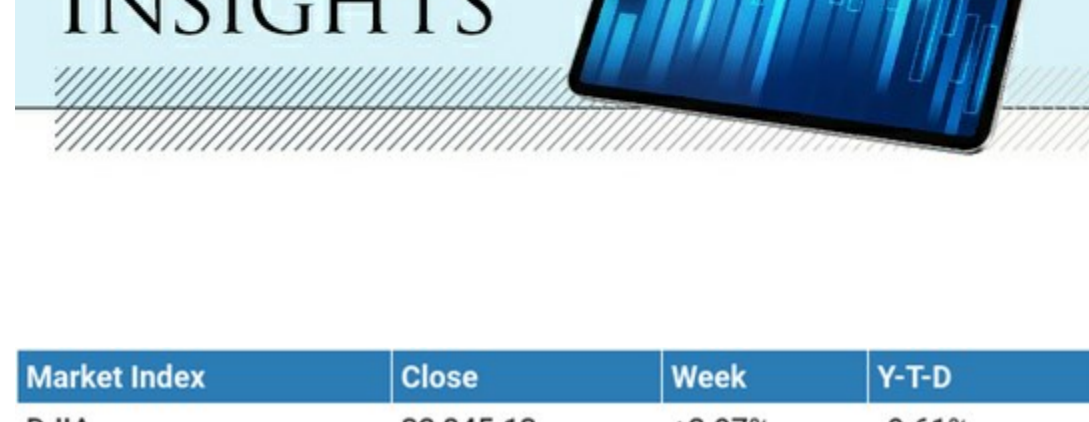


Weekly Market Insights

August 1, 2022

Undaunted by another Fed rate hike and news of a contracting economy, the stock market rallied last week on better-than-expected corporate earnings.

The Dow Jones Industrial Average increased 2.97%, while the Standard & Poor's 500 picked up 4.26%. The Nasdaq Composite index gained 4.70% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, rose 0.95%.^{1,2,3}



Market Index	Close	Week	Y-T-D
DJIA	32,845.13	+2.97%	-9.61%
NASDAQ	12,390.69	+4.70%	-20.80%
MSCI-EAFE	1,915.34	+0.95%	-18.01%
S&P 500	4,130.29	+4.26%	-13.34%



Treasury	Close	Week	Y-T-D
10-Year Note	2.67%	-0.10%	+1.15%

Sources: The Wall Street Journal, July 29, 2022; Treasury.gov, July 29, 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, July 22, to Friday, July 29, close. Weekly performance for the MSCI-EAFE is measured from Friday, July 22, open to Thursday, July 28, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Stocks Rally on Earnings

It was an inauspicious start to the week after a big-box retailer missed earnings and reduced forward guidance on Tuesday, sparking a broad market retreat.

But sentiment improved following mega-cap technology company earnings that proved better than expected. Enthusiasm gathered steam in the wake of the Fed's 0.75% rate hike, boosted by Fed Chair Powell's comments following Wednesday's Federal Open Market Committee meeting. Powell indicated that it might become appropriate to slow the pace of future hikes, and he didn't believe the economy had entered into recession. Stocks on Thursday shrugged off news of a second-consecutive quarter of negative economic growth to build on Wednesday's gains as fresh earnings continued to comfort, if not impress, investors.⁴

Economy Contracts

The U.S. economy shrank at an annualized rate of 0.9% in the second quarter as consumers pulled back on spending and businesses worked to reduce inventories. It was the second-consecutive quarter of negative economic growth, meeting the technical definition of a recession. Unlike past recessions, hiring has been strong all year, with the unemployment rate near historic lows.⁵

The economic slowdown was attributable primarily to decreases in inventories, a deceleration in the housing market, and lower government spending. Consumer spending increased a tepid one percent, well below the inflation rate during the same period.⁶

This Week: Key Economic Data

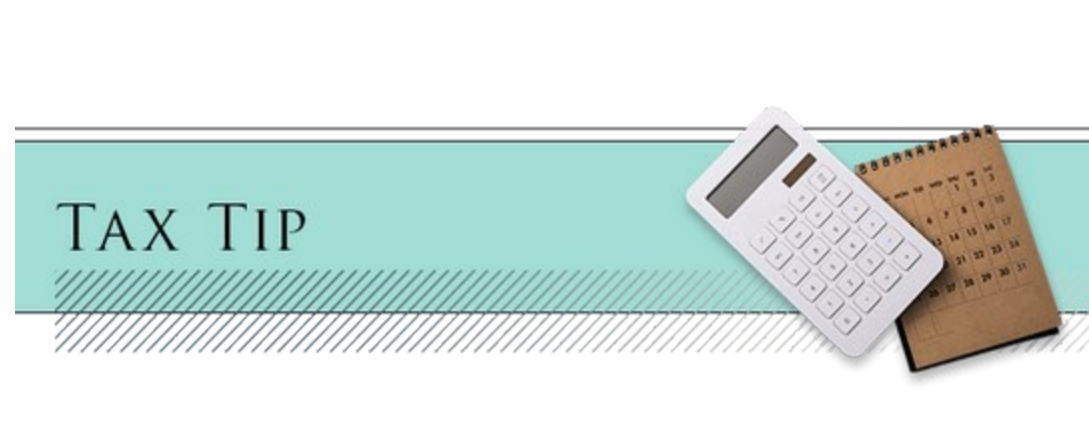
- Monday:** Institute for Supply Management (ISM) Manufacturing Index.
- Tuesday:** Job Openings and Labor Turnover Survey (JOLTS).
- Wednesday:** Automated Data Processing (ADP) Employment Report. Institute for Supply Management (ISM) Services Index. Factory Orders.
- Thursday:** Jobless Claims.
- Friday:** Employment Situation.

Source: Econoday, July 29, 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

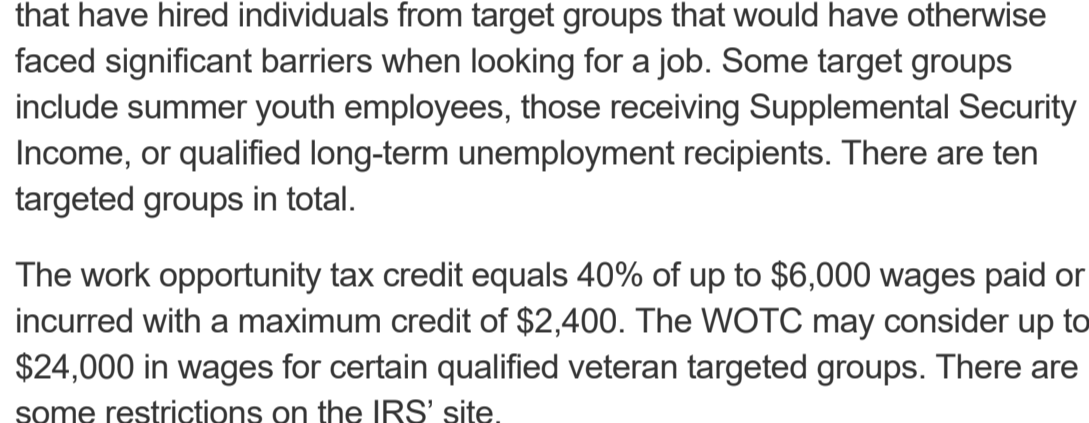
- Tuesday:** Advanced Micro Devices, Inc. (AMD), PayPal Holdings, Inc. (PYPL), Caterpillar, Inc. (CAT), Prudential Financial, Inc. (PRU), Starbucks Corporation (SBUX), Marathon Petroleum Corporation (MPC), Marriott International, Inc. (MAR).
- Wednesday:** CVS Health Corporation (CVS), Fortinet, Inc. (FTNT), PPL Corporation (PPL), Booking Holdings, Inc. (BKNG), Occidental Petroleum Corporation (OXY), Regeneron Pharmaceuticals, Inc. (REGN).
- Thursday:** Block, Inc. (SQ), Twilio, Inc. (TWLO), Amgen, Inc. (AMGN), Eli Lilly and Company (LLY), ConocoPhillips (COP), Air Products and Chemicals, Inc. (APD), Albemarle Corporation (ALB), Kellogg Company (K).
- Friday:** Berkshire Hathaway, Inc. (BRK.A).

Source: Zacks, July 29, 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.



"Innovation is saying 'no' to 1,000 things."

– Steve Jobs



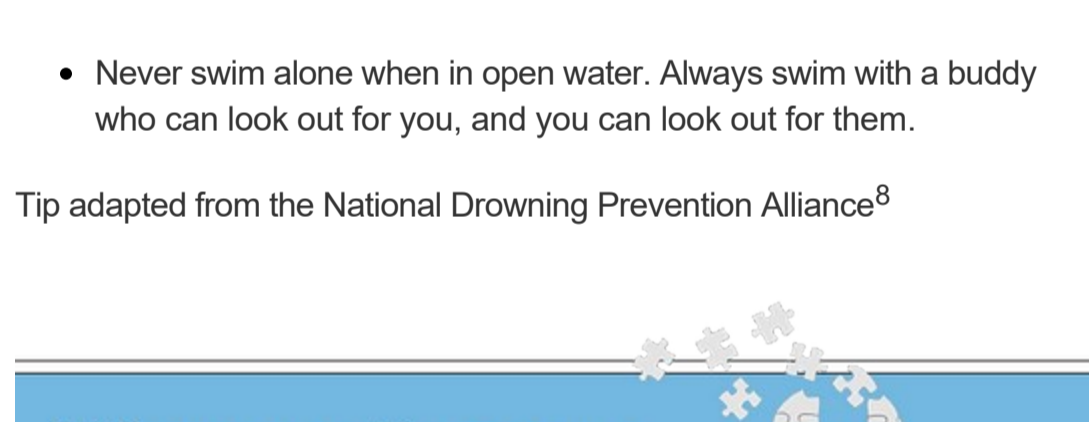
Don't Forget to Take Advantage of the Work Opportunity Tax Credit

The work opportunity tax credit is a federal tax credit for business owners that have hired individuals from target groups that would have otherwise faced significant barriers when looking for a job. Some target groups include summer youth employees, those receiving Supplemental Security Income, or qualified long-term unemployment recipients. There are ten targeted groups in total.

The work opportunity tax credit equals 40% of up to \$6,000 wages paid or incurred with a maximum credit of \$2,400. The WOTC may consider up to \$24,000 in wages for certain qualified veteran targeted groups. There are some restrictions on the IRS' site.

* 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.gov⁷



Stay Safe This Summer With These Open Water Safety Tips

Summer is the perfect time to spend at the beach, lake, or river. But unfortunately, these natural bodies of water can also be hazardous if you don't know how to stay safe. Here are some tips to help you and your family stay safe in the water this summer:

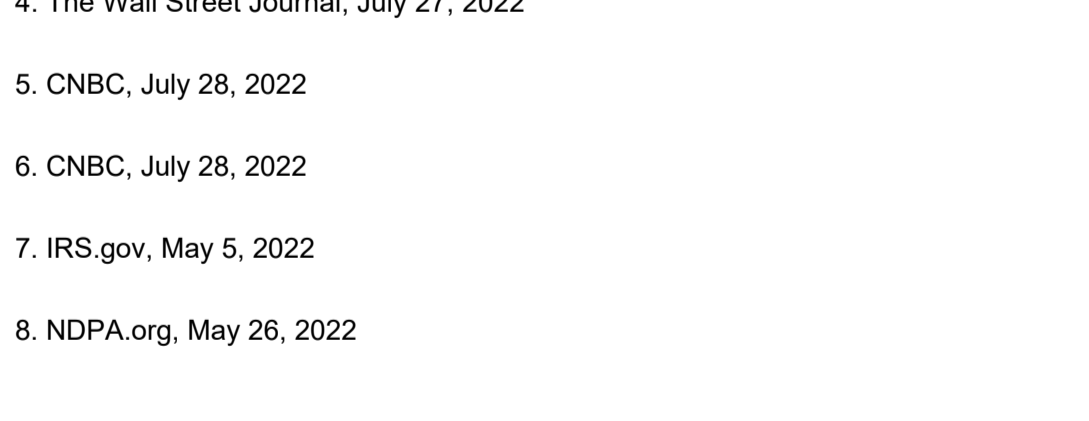
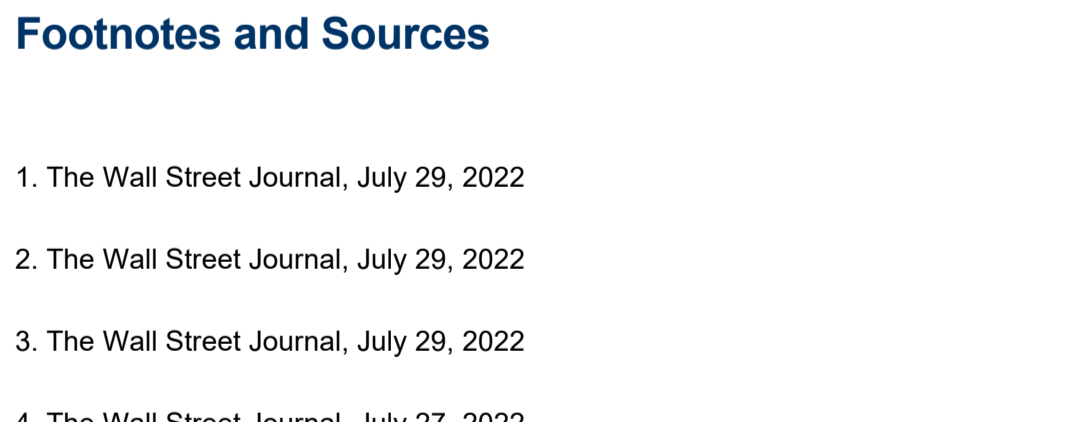
- Only swim in the designated swimming area. Take note of flags and buoys that mark where you can and can't swim.
- When in doubt, get out! If something doesn't feel suitable, such as a current picking up, it's better to err on the side of caution and get out.
- Know the conditions before you swim. The more you know about water levels, temperature, and current, the better.
- Never swim alone when in open water. Always swim with a buddy who can look out for you, and you can look out for them.

Tip adapted from the National Drowning Prevention Alliance⁸



A rain gauge collects rainfall each day of a wet week beginning on Monday. Every day, the amount of rain in the gauge doubles. At Sunday's end, the rain gauge is completely filled. So on which day is it half-filled?

Last week's riddle: I can't be seen, but I'm all around. I have no mouth, yet can make a sound. I can be harnessed, but never bound. No hands have I, yet I move the ground. What am I? Riddle answer: Wind.



Village of Hope, Hope Valley, Derbyshire, United Kingdom

Footnotes and Sources

1. The Wall Street Journal, July 29, 2022
2. The Wall Street Journal, July 29, 2022
3. The Wall Street Journal, July 29, 2022
4. The Wall Street Journal, July 27, 2022
5. CNBC, July 28, 2022
6. CNBC, July 28, 2022
7. IRS.gov, May 5, 2022
8. NDPA.org, May 26, 2022

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.

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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.

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