

Weekly Market Insights

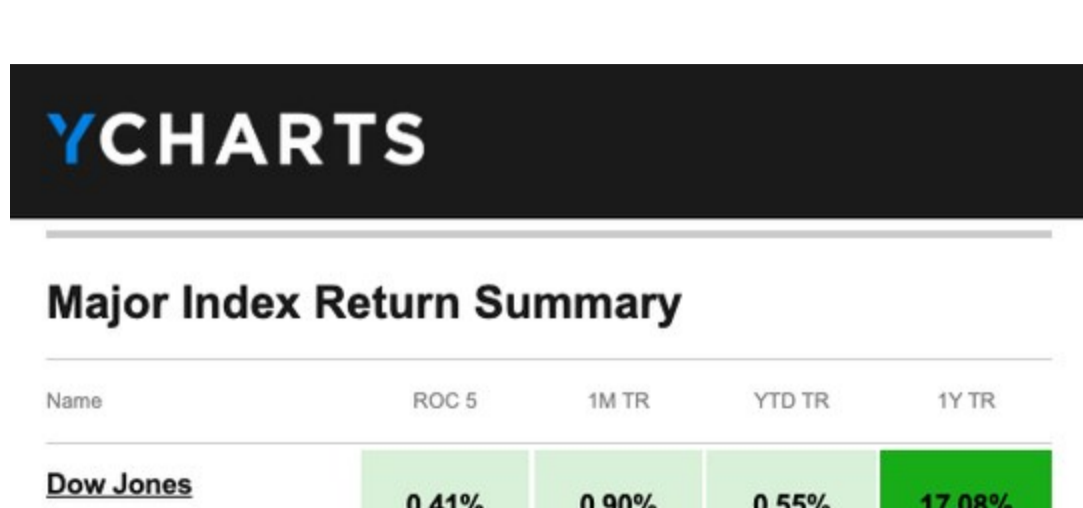
January 22, 2024

Stocks finished higher last week, with big tech again leading amid lingering uncertainty over how continued economic strength would influence the Fed's rate decision.

Stocks Dip, Then Rally

Stock prices dropped early in the week before rising to new highs as the week ended. The four-day trading week began with more Q4 bank earnings, which disappointed. The news pushed the financial sector and the broader S&P 500 index lower on Tuesday. The yield on the 10-year Treasury climbed after a Fed Governor said the central bank may not adjust rates as much as markets expect. That and a stronger-than-expected holiday retail sales report put pressure on stock prices.^{1,2,3}

Tech stocks drove the Thursday rally, with the S&P and Nasdaq recouping their 2024 losses. Stocks continued their tech-led climb on Friday, with the S&P 500 rising to an all-time high—its first record close in over two years. The Nasdaq gained 1.70% on Friday, capping a solid week for the tech-heavy index.



Major Index Return Summary

Name	ROC 5	1M TR	YTD TR	1Y TR
Dow Jones Industrial Average	0.41%	0.90%	0.55%	17.08%
MSCI EAFE	-2.14%	-0.81%	-2.52%	8.76%
Nasdaq Composite	2.28%	2.09%	2.01%	42.27%
S&P 500	1.25%	1.60%	1.54%	26.18%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
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Date	3M Ago	3M Change	1Y Ago	1Y Change
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10 Year Treasury Rate	4.15%	3.93%	5.60%	▲
01/19/24	4.98%	4.98%	-16.67%	▼
	3.39%	3.39%	22.42%	▲

Source: YCharts.com, January 20, 2024. Weekly performance is measured from Monday, January 15, to Friday, January 19.

ROC 5 = the rate of change in the index for the previous 5 trading days.

TR = total return for the index, which includes any dividends as well as any other cash distributions during the period.

Treasury note yield is expressed in basis points.

Navigating the Middle

Sentiment see-sawed last week as investors tried to anticipate the Fed's next move. The week was full of economic news that suggested continued resilience in the economy, which may add complexity to the Fed's next decision.

December retail sales came in strong, +0.6% for the month, besting economists' expectations of +0.4%. November and December combined to depict a robust holiday shopping season. Unemployment dipped unexpectedly for the second week of January—a sign of a resilient U.S. labor market. That labor news and hotter-than-expected housing starts pushed the yield on the 10-year Treasury to 4.14%, its highest level in more than a month.^{4,5,6,7}

This Week: Key Economic Data

Tuesday: US Two-Year Note Auction.

Wednesday: PMI Composite, Petroleum Status Report.

Thursday: Gross Domestic Product, Advance estimate of Q4 and Year 2023, Durable Goods Orders, Jobless Claims, Housing Starts.

Friday: Personal Income and Outlays.

Source: Investor's Business Daily, Econoday economic calendar; January 19, 2024

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: United Airlines Holdings Inc. (UAL)

Tuesday: Microsoft Corporation (MSFT), Johnson & Johnson (JNJ), The Procter & Gamble Company (PG), Netflix, Inc. (NFLX), Verizon Communications Inc. (VZ)

Wednesday: Tesla, Inc. (TSLA), Abbott Laboratories (ABT), International Business Machines Corporation (IBM), AT&T Inc. (T)

Thursday: Visa Inc. (V), Intel Corporation (INTC), T-Mobile US, Inc. (TMUS), Marsh & McLennan Companies, Inc. (MMC), Northrop Grumman Corporation (NOC)

Friday: American Express Company (AXP), Colgate-Palmolive Company (CL)

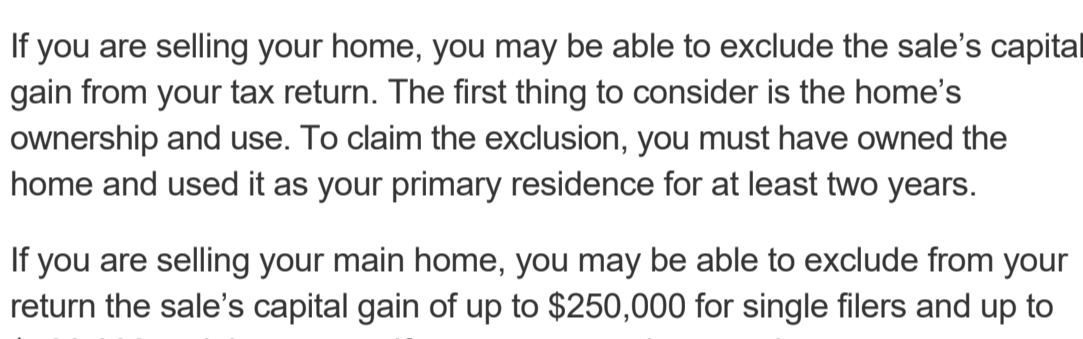
Source: Zacks, January 19, 2024

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"Thus every action must be due to one or another of seven causes: chance, nature, compulsion, habit, reason, anger, or appetite."

— Aristotle



Keep These Tips in Mind When Selling a Home

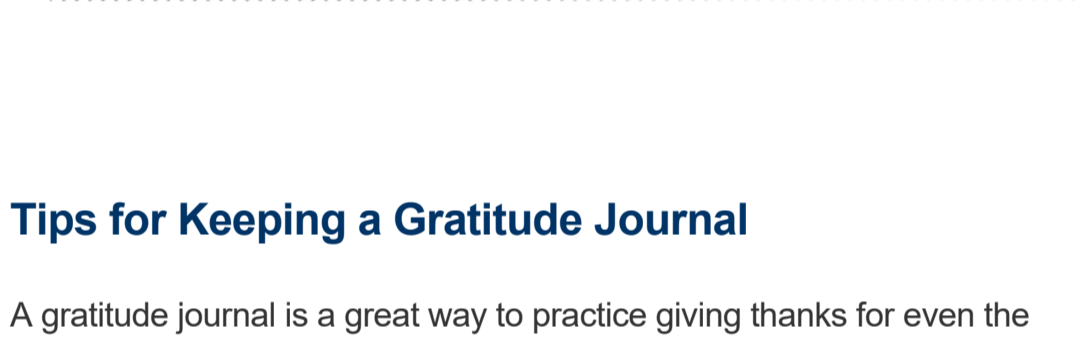
If you are selling your home, you may be able to exclude the sale's capital gain from your tax return. The first thing to consider is the home's ownership and use. To claim the exclusion, you must have owned the home and used it as your primary residence for at least two years.

If you are selling your main home, you may be able to exclude from your return the sale's capital gain of up to \$250,000 for single filers and up to \$500,000 on joint returns. If you own more than one home, you can exclude only the gains on selling your main home. However, the loss may not be deductible if you experience a loss in selling your home. You can also choose not to claim exclusion, in which case you must report the gain on your tax return.

Some taxpayers must also report forgiven or canceled debt as income on their tax return, including foreclosure or other processes in which a lender forgives or cancels mortgage debt on the home.

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

Tip adapted from IRS.gov⁸



Tips for Keeping a Gratitude Journal

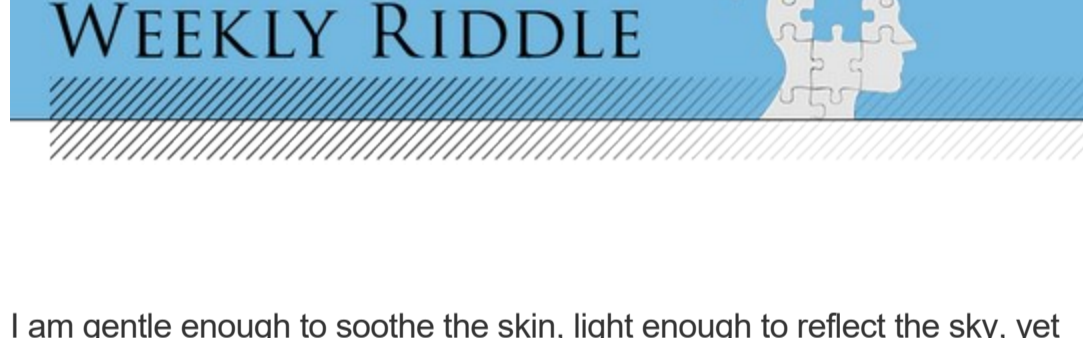
A gratitude journal is a great way to practice giving thanks for even the small things in life. We all have things we're thankful for, and regularly acknowledging them helps us stay present and gracious.

Are you looking to start a gratitude journal? These tips will help you get started and love the practice.

- The first thing to do is to get some beautiful stationery and pens that make you happy every time you look at them.
- Once you have suitable materials, start with a prompt. Most people initially writing a gratitude journal don't know where to start. Using a simple prompt will get your gratitude juices flowing.
- When thinking about things you're grateful for, focus on depth over breadth. Rather than listing several small items, detail the things you're more grateful for.
- Try subtraction, not just addition, when considering things you're grateful for. Reflect on what your life would be like without them.
- Don't overdo it and burn yourself out. Journaling once or twice a week rather than every day may be more effective, especially as you build the habit.

Keeping a gratitude journal encourages us to pay attention to the good things we'd otherwise take for granted.

Tip adapted from Greater Good Magazine⁹



I am gentle enough to soothe the skin, light enough to reflect the sky, yet hard enough to crack rocks. What am I?

Last week's riddle: You can rearrange the letters in insatiable to make another ten-letter word that starts with the letter b. What is this ten-letter word? Answer: Banalities.



Man inside an ice cave in Iceland

Footnotes and Sources

1. CNBC.com, January 16, 2024.
2. CNBC.com, January 17, 2024.
3. CNBC.com, January 17, 2024.
4. CNBC.com, January 16, 2024.
5. MarketWatch.com, January 17, 2024
6. CNBC.com, January 18, 2024.
7. The Wall Street Journal, January 19, 2024.
8. IRS.gov, March 8, 2023
9. Greatergood.berkeley.edu, October 9, 2023

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

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