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MARKET INSIGHTS

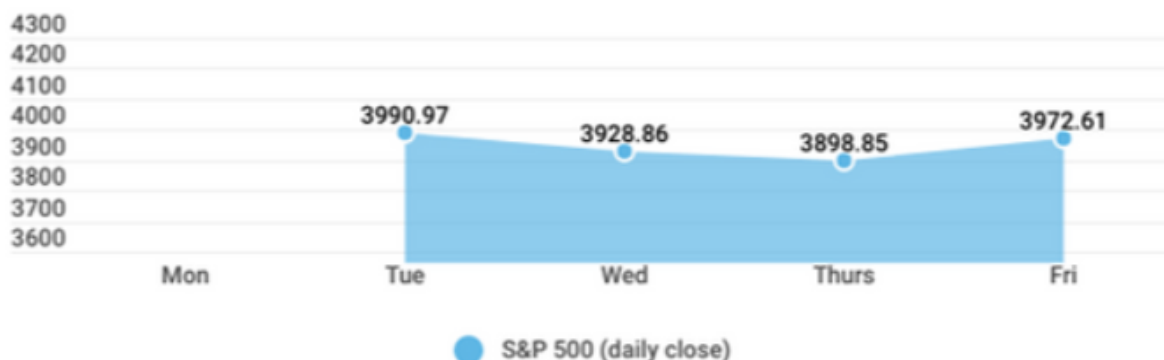
January 23, 2023

MIXED RESULTS FOLLOWING WEAK ECONOMIC DATA

Stocks showed mixed results last week as recession fears resurfaced in response to weak economic data and a tepid start to a new corporate earnings season.

The Dow Jones Industrial Average skidded 2.70%, while the Standard & Poor's 500 declined 0.66%. But the Nasdaq Composite index gained 0.55% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, lost 0.50%.

Market Index	Close	Week	Y-T-D
DJIA	33,375.49	-2.70%	+0.69%
NASDAQ	11,140.43	+0.55%	+6.44%
MSCI-EAFE	2,070.00	-0.50%	+6.49%
S&P 500	3,972.61	-0.66%	+3.47%



	Treasury	Close	Week	Y-T-D
 10-Year Note		3.48%	-0.02%	-0.40%

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Mixed Economic Data

Stocks weakened to start the week amid discouraging corporate earnings and troubling economic data. Disappointing retail sales and manufacturing reports sparked concerns that the Fed may have gone too far in hiking rates, while a drop in initial jobless claims diminished chances of a near-term pause in rate hikes. Welcome news from two big technology names on Friday powered a strong rally that mixed significant indices.

The start of the earnings season was a drag on investor sentiment. While 69% of the S&P 500 constituent companies that reported earnings by Thursday (48 companies) exceeded expectations, the percentage of “beats” is below the three-year average. More concerning, however, was that average earnings declined by more than 2%.

Consumers Retrench

Retail sales fell 1.1% in December, capping an overall weak holiday shopping season. November retail sales were revised downward to -1.0%, from the earlier estimate of -0.6%. Compared to November-December 2021, sales increased by 5.3%, below the 6 to 8% increase expected by The National Retail Federation. Many economists viewed these lackluster numbers as evidence of a

weakening consumer. A more cautious consumer raises more concerns about a recession at some point this year since the primary driver of U.S. economic growth is consumer spending.

Key Economic Data

Tuesday: Purchasing Managers' Index Composite.

Thursday: Gross Domestic Product (GDP). Durable Goods Orders. New Home Sales. Jobless Claims.

Friday: Consumer Sentiment.

Companies Reporting Earnings

Tuesday: Microsoft Corporation (MSFT), General Electric Company (GE), Verizon Communications, Inc. (VZ), Johnson & Johnson (JNJ), Lockheed Martin Corporation (LMT), Texas Instruments, Inc. (TXN), Union Pacific Corporation (UNP), D.R. Horton, Inc. (DHI), Raytheon Technologies Corporation (RTX).

Wednesday: AT&T, Inc. (T), The Boeing Company (BA), Tesla, Inc. (TSLA), International Business Machines Corporation (IBM), Lam Research Corporation (LRCX), Abbott Laboratories (ABT), CSX Corporation (CSX), NextEra Energy, Inc. (NEE), KimberlyClark Corporation (KMB), Norfolk Southern Corporation (NSC), General Dynamics (GD).

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Thursday: Intel Corporation (INTL), Visa, Inc. (V), Mastercard, Inc. (MA), Blackstone, Inc. (BX), Northrop Grumman Corporation (NOC), Southwest Airlines Co. (LUV), Rockwell Automation, Inc. (ROK).

Friday: Chevron Corporation (CVX), HCA Healthcare, Inc. (HCA), American Express Company (AXP), ColgatePalmolive Company (CL).

refund amount. There are several conditions employers must meet to be eligible for an ERC. If you know of any improper ERC claims, submit Form 3949-A, Information Referral, 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.*

FOOD FOR THOUGHT



"Writing is thinking on paper."

– William Zinsser

TAX TIP



Beware Of Improper Employee Retention Credit Claim

The employee retention credit (ERC) is a refundable tax credit for businesses that continued paying employees while shut down due to the COVID-19 pandemic or had significant declines in gross receipts from March 13, 2020–December 31, 2021. While this tax credit can be a great benefit for employers, there have been third parties promoting improper ERC claims.

Employers should be wary of third parties advising them to claim the employee retention credit when they may not qualify. These third parties often charge hefty upfront fees or a fee contingent on the

HEALTH LIVING TIP



What Is Dry Brushing?

Let's face it: the cold winter weather is not friendly to our skin. If you're struggling with dry, unhappy skin this winter, consider dry brushing!

Dry brushing involves taking a specialized brush and rubbing it on your skin. You can use a dry brush throughout most areas of your body, and the goal is to gently exfoliate your skin to get rid of dry, flakey skin and encourage blood flow. Dry brushing is a favorite skincare routine year-round, but it can be especially beneficial in the winter when your skin might be extra dry. When dry brushing, make sure to use an appropriate brush and do it gently so as not to cause damage to your skin. Talk to your dermatologist before starting dry brushing if you have sensitive skin.

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WEEKLY RIDDLE



Take one letter out of a 7-letter word and it becomes longer. What is this word?

Riddle from last edition: It is a short and simple word, and something that everyone needs. Put an 'r' on the end and you have a new friend, but if the first letter goes away, you are sad. What is this word? Answer: *Lover*.

PHOTO OF THE WEEK



St. Johns Suspension Bridge, Portland, Oregon



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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