

## Market Insights

May 31, 2022

Stocks posted solid gains for the week, buoyed by the release of Fed meeting minutes and upbeat earnings from mid-size and discount retailers.

The Dow Jones Industrial Average jumped 6.24%, while the Standard & Poor's 500 advanced 6.58%. The Nasdaq Composite index gained 6.84% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, rose 2.09%.<sup>1,2,3</sup>



Market Index	Close	Week	Y-T-D
DJIA	33,212.96	+6.24%	-8.60%
NASDAQ	12,131.13	+6.84%	-22.46%
MSCI-EAFE	2,010.46	+2.09%	-13.94%
S&P 500	4,158.24	+6.58%	-12.76%



Treasury	Close	Week	Y-T-D
10-Year Note	2.74%	-0.04%	+1.22%

Sources: The Wall Street Journal, May 27, 2022; Treasury.gov, May 27, 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, May 20, to Friday, May 27, close. Weekly performance for the MSCI-EAFE is measured from Friday, May 20, open to Thursday, May 26, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

### A Good Week

The stock market staged a broad rally last week, ignited by the release of minutes from the May's Federal Open Market Committee (FOMC) meeting. The meeting notes eased concerns that the Fed might pursue a more aggressive monetary tightening stance than the Street had anticipated.

Investor sentiment rose owing to solid earnings and encouraging guidance from several mid-size and discount retailers, which eased concerns about the health of the American consumer. A smaller rise in the personal consumption expenditures price index, the Fed's preferred measure of inflation, triggered a strong rally on Friday. The powerful move ended seven straight weeks of stock losses.<sup>4</sup>

### Fed Minutes

The minutes from May's FOMC meeting were released last week. They confirmed the likelihood of at least two successive 50 basis point interest rate hikes. The minutes also indicated they might need to raise rates to a level that acts to restrict economic growth, something that Fed Chair Jerome Powell acknowledged might be a painful process.<sup>5</sup>

Not all Fed members are fully committed to the more aggressive rate hikes. Last week, Atlanta Fed president Raphael Bostic wrote that a pause in rate increases in September might be appropriate. He joined other members in suggesting that economic conditions may warrant reconsideration of additional rate hikes beyond those already signaled by Powell.<sup>6</sup>

### This Week: Key Economic Data

**Tuesday:** Consumer Confidence.

**Wednesday:** Institute for Supply Management (ISM) Manufacturing Index. Jobs Openings and Labor Turnover Survey (JOLTS).

**Thursday:** Automated Data Processing (ADP) Employment Report. Jobless Claims. Factory Orders.

**Friday:** Employment Situation. Institute for Supply Management (ISM) Services Index.

Source: Econoday, May 27, 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:** Salesforce, Inc. (CRM), HP, Inc. (HPQ).

**Wednesday:** MongoDB, Inc. (MDB).

**Thursday:** Broadcom, Inc. (AVGO), Hormel Foods Corporation (HRL), DocuSign (DOCU), CrowdStrike (CRWD).

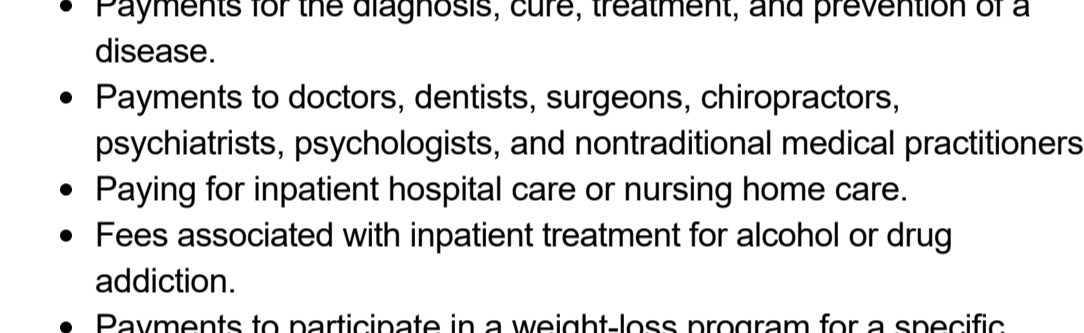
Source: Zacks, May 27, 2022

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.



"Deep breaths are very helpful at shallow parties."

—Barbara Walters



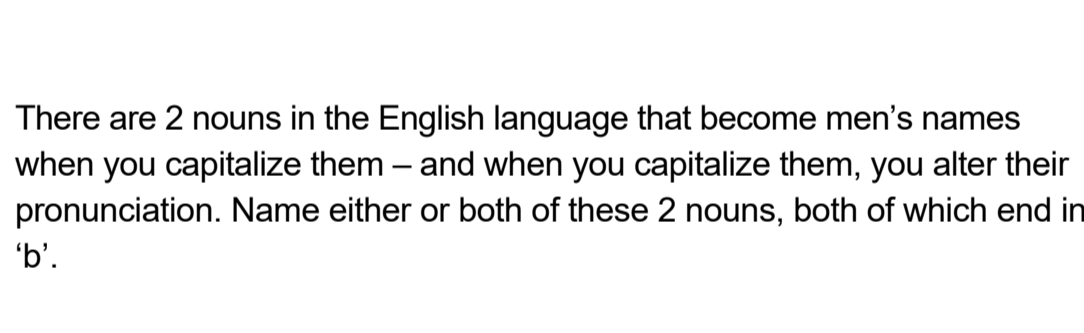
### Are Medical and Dental Expenses Tax-Deductible?

If you file your taxes using itemized deductions, you may be able to deduct medical and dental expenses for yourself, your spouse, and your dependents. According to the IRS, you may deduct only the amount of your total medical expenses that exceed 7.5% of your adjusted gross income.

Some types of medical care expenses that may be deductible include:

- Payments for the diagnosis, cure, treatment, and prevention of a disease.
- Payments to doctors, dentists, surgeons, chiropractors, psychiatrists, psychologists, and nontraditional medical practitioners.
- Paying for inpatient hospital care or nursing home care.
- Fees associated with inpatient treatment for alcohol or drug addiction.
- Payments to participate in a weight-loss program for a specific disease diagnosed by a doctor (such as obesity).

\* 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.gov<sup>7</sup>

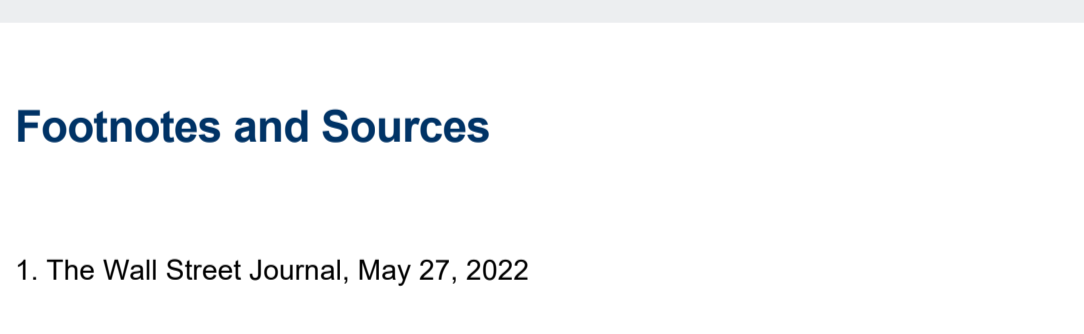


### Perfect Your Pigeon Pose

If you sit a lot at work or have tight hips, the pigeon pose (a popular pose in yoga) might help. It's a simple pose that anyone can do, even if you don't have experience practicing yoga. Here's how to do it:

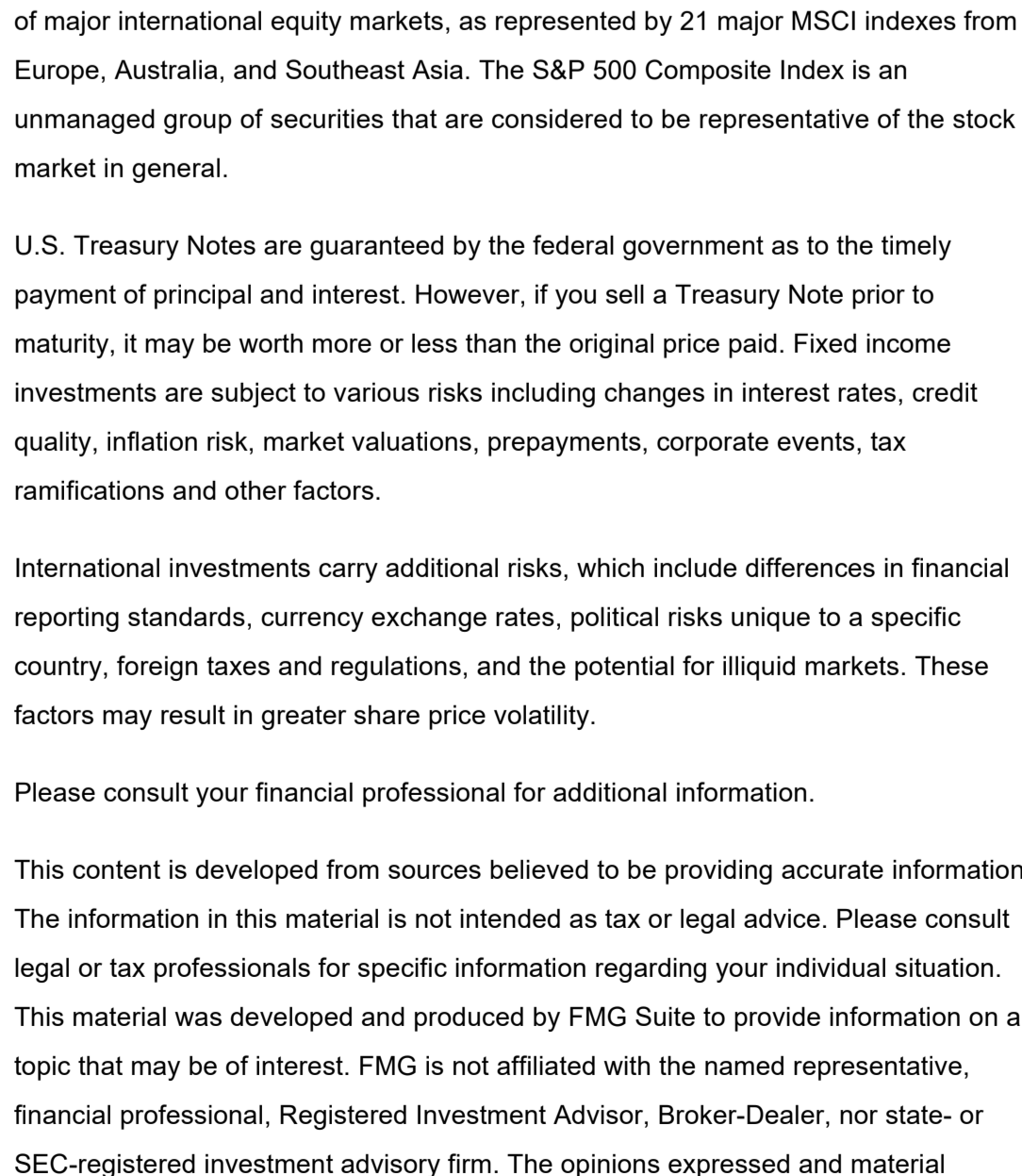
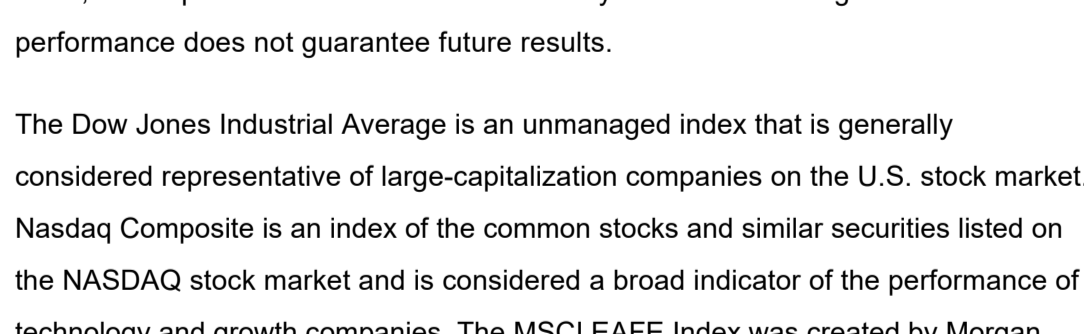
- First, start on all fours with your hands shoulder-width apart and your knees hip-width apart.
- Next, try to bring your right knee as close to your right wrist and try to get your shin parallel to the top of the mat.
- Then, bring your left leg straight back behind you and rest on the mat with your thigh, knee, and shin touching it.

For some, just sitting in this pose with your feet upright is enough. If you want to increase the intensity of the post, lean forward and rest your forearms on the mat and rest your head on your hands.  
Tip adapted from Healthline<sup>8</sup>



There are 2 nouns in the English language that become men's names when you capitalize them – and when you capitalize them, you alter their pronunciation. Name either or both of these 2 nouns, both of which end in 'b'.

Last week's riddle: Two trains are crossing America from coast to coast, traveling over 3,000 miles of track. The Gentle Zephyr is going west at 70mph; the Western Wind is headed east at 80mph. So which train will be closer to the east coast when they roll by each other in Kansas? Riddle Answer: Neither. When the trains meet, they will be at the same point - therefore the same distance from the east coast.



Jökulsárlón, bordering Vatnajökull National Park, Iceland

### Footnotes and Sources

1. The Wall Street Journal, May 27, 2022
2. The Wall Street Journal, May 27, 2022
3. The Wall Street Journal, May 27, 2022
4. CNBC, May 27, 2022
5. The Wall Street Journal, May 25, 2022
6. The Wall Street Journal, May 25, 2022
7. IRS.gov, February 17, 2021
8. Healthline.com, February 22, 2022

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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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