

Weekly Market Insights

June 20, 2023

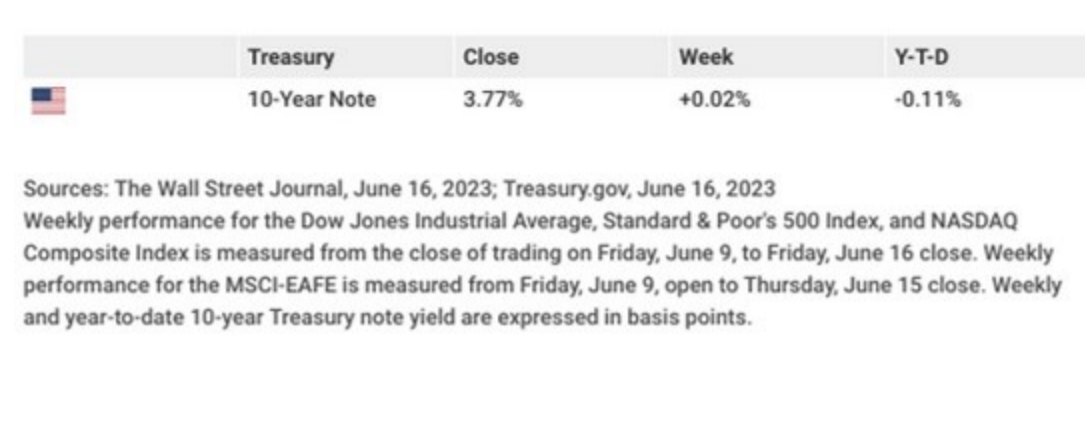
Stocks climbed last week as reassuring inflation data boosted investor hopes that the rate-hike cycle was nearing an end amid fresh economic data pointing to continued economic resilience.

The Dow Jones Industrial Average rose 1.25%, while the Standard & Poor's 500 picked up 2.58%. The Nasdaq Composite index gained 3.25% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, advanced 2.42%.^{1,2,3}

MARKET INSIGHTS



Market Index	Close	Week	Y-T-D
DJIA	34,299.12	+1.25%	+3.48%
NASDAQ	13,689.57	+3.25%	+30.79%
MSCI-EAFE	2,161.49	+2.42%	+11.19%
S&P 500	4,409.59	+2.58%	+14.85%



Treasury	Close	Week	Y-T-D
10-Year Note	3.77%	+0.02%	-0.11%

Sources: The Wall Street Journal, June 16, 2023; Treasury.gov, June 16, 2023
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, June 9, to Friday, June 16 close. Weekly performance for the MSCI-EAFE is measured from Friday, June 9, open to Thursday, June 15 close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Stocks Rally

Stock market momentum gathered steam last week, blowing past the 4,300 and 4,400 thresholds in the S&P 500—a remarkable feat considering the time it took to break the 4,200 resistance level.

Optimism was high to begin the week, with expectations that fresh evidence of cooling inflation would provide the Fed room to pause on further rate hikes. The data cooperated as consumer prices rose 4.0% year-over-year (the lowest 12-month number in two years), and producer prices increased 1.1% from a year ago.⁴

The Fed's "hawkish pause" briefly unsettled investors, but after some reassessment and aided by healthy economic data, stocks rallied before slipping on Friday as the market digested the week's gains.

More Rate Hikes to Come?

Federal Reserve officials kept rates steady at last week's Federal Open Market Committee (FOMC) meeting. However, a majority of committee members indicated at least two more quarter-point rate hikes were likely before year-end.⁴

Fed Chair Jerome Powell commented that he saw progress in fighting inflation and that no decision was made regarding any future rate increase, saying that members will assess the economic impact of the cumulative rate hikes before the July 25-26 FOMC meeting.⁵

The Fed raised its 2023 economic growth forecast to 1%, up from its March forecast of 0.4%. The Fed also lowered its unemployment projection to 4.1% from its earlier estimate of 4.5%.⁶

This Week: Key Economic Data

Tuesday: Housing Starts.

Thursday: Existing Home Sales. Index of Leading Economic Indicators. Jobless Claims.

Friday: Purchasing Managers' Index (PMI) Composite.

Source: Econoday, June 16, 2023

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: FedEx Corporation (FDX).

Thursday: Darden Restaurants, Inc. (DRI).

Source: Zacks, June 16, 2023

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.

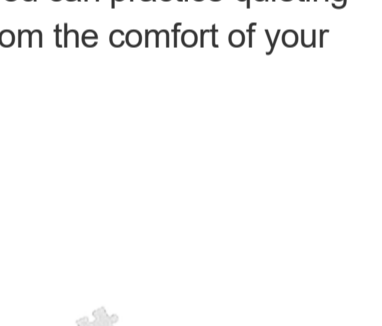
FOOD FOR THOUGHT



"Kindness eases change. Love quiets fear."

— Octavia E. Butler

TAX TIP



3 Facts About Capital Gains

When you sell a capital asset, like an investment or a piece of property, the sale can result in a capital gain or loss. The Internal Revenue Service (IRS) defines a capital asset as "almost anything you own for personal use or own as an investment." Here are three facts you should keep in mind:

1. A capital gain or loss is the difference between what you originally paid for the asset (your basis) and the amount you get when you sell an asset.
2. The IRS may allow you to deduct capital losses on the sale of an investment or piece of property.
3. If your total net capital loss is more than the limit you can deduct, you may be able to carry it over to next year's tax return.

**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.gov⁷

HEALTHY LIVING TIP



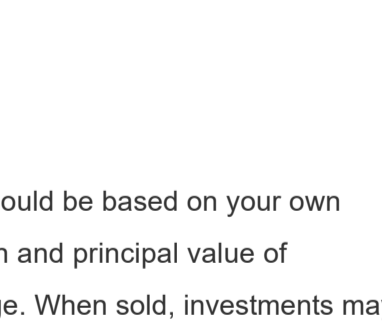
Finding Inner Peace Inside (and Indoors)

Practiced for thousands of years, yoga has had a revival in the last couple of decades. Yoga can be an optimal exercise choice for many individuals of all ages. But before getting started with any fitness regimen, discuss any medical concerns with your healthcare provider; this information is not a substitute for medical advice.

While there are many different styles of yoga, it is generally a low-impact form of exercise. But in addition to the fitness benefits, it can help you learn relaxation and breathing techniques and how to regulate emotions and quiet your mind. It's also a great form of indoor exercise, and there are thousands of free classes on YouTube. So, if you're looking for a way to promote both physical and mental health, you can practice quieting your inner monologue and start doing yoga from the comfort of your home.

Tip adapted from Yogabasics.com⁸

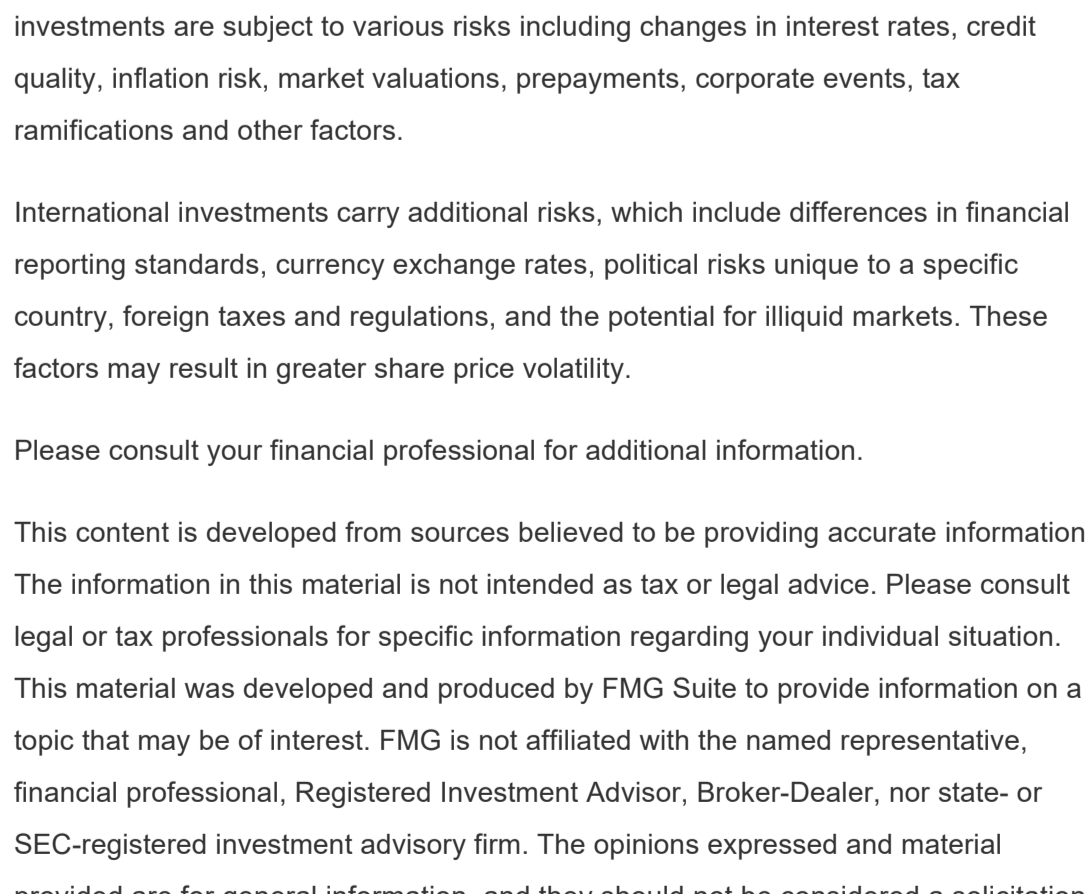
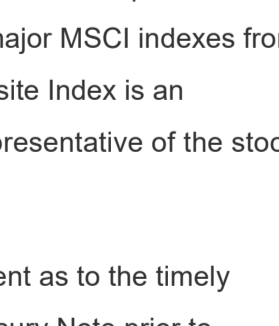
WEEKLY RIDDLE



A major league pitcher faces just 27 hitters in a baseball game. He retires all of them, allowing no runs and no hits. Still, his team loses the game 4-0. How is this possible?

Last week's riddle: A common English word refers to a person or thing not being in a place. But just by inserting a space within it, you can get two words meaning that a person or thing is present. What is this word? Answer: Nowhere – which breaks into now here.

PHOTO OF THE WEEK



Mt. Tamalpais State Park, Marin County, California

Footnotes and Sources

1. The Wall Street Journal, June 16, 2023.
2. The Wall Street Journal, June 16, 2023.
3. The Wall Street Journal, June 16, 2023.
4. AP News, June 14, 2023.
5. CNBC, June 14, 2023.
6. CNBC, June 14, 2023.
7. IRS.gov, January 26, 2023
8. Yogabasics.com, February 15, 2023

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.

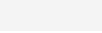
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