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# MARKET INSIGHTS

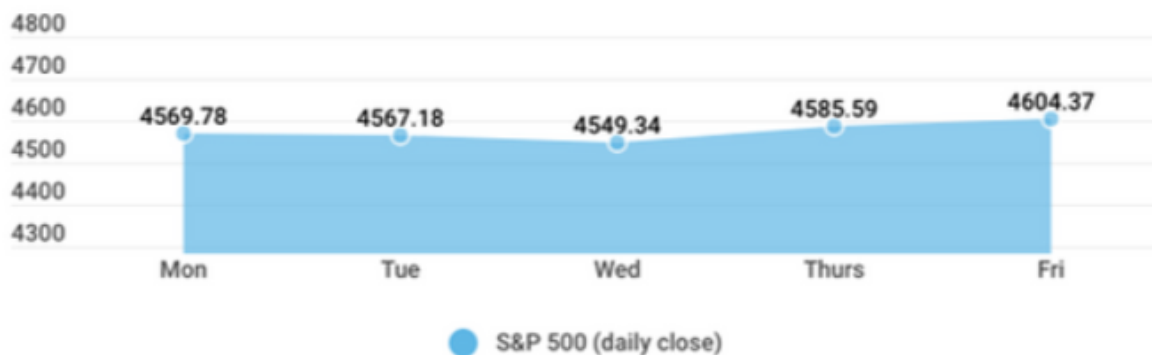
December 11, 2023

## STOCKS SPARK LATE WEEK RALLY

A late-week, two-day rally left stocks higher, adding to November's gains as the last month of trading for 2023 began.

The Dow Jones Industrial Average was flat (+0.01%), while the Standard & Poor's 500 gained 0.21%. The Nasdaq Composite index advanced 0.69% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, was up 0.37%.

Market Index	Close	Week	Y-T-D
DJIA	36,247.87	+0.01%	+9.35%
NASDAQ	14,403.97	+0.69%	+37.62%
MSCI-EAFE	2,138.29	+0.37%	+10.00%
S&P 500	4,604.37	+0.21%	+19.92%



	Treasury	Close	Week	Y-T-D
	10-Year Note	4.23%	+0.01%	+0.35%

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## Stocks Extend Gains

The relationship between the bond and stock markets—which pushed stocks higher in November (i.e., falling bond yields, rising stock prices)—disappeared last week, with stocks falling in the first three days of the week despite declining yields. Yields dropped following a weak job openings report, the ADP employment update, and a substantial productivity revision.

On Thursday, investor enthusiasm returned with force on Artificial Intelligence (AI) related news. One AI chip manufacturer announced a new AI chip, followed by a mega-cap tech company unveiling an enhanced version of its AI model for business use. Stocks continued their climb on Friday despite rising yields, as investors viewed a stronger-than-expected employment report as increasing the potential for a soft landing.

## Productivity Surges

Higher productivity may be the most effective and preferred way to reduce inflation. Last week's revised third-quarter productivity report saw an upward revision of the annualized productivity growth from the initial report of 4.7% to 5.2%; this was welcome news on the inflation front and

an encouraging development for future corporate profits.

The 5.2% jump in productivity represented the fastest pace since the third quarter of 2020. The report also showed unit labor costs falling at a 1.2% annualized pace, reflecting a cooling of wage-growth inflationary pressures. Productivity has increased for two straight quarters, potentially allowing the Fed to ease its restrictive monetary policy.

## Key Economic Data

**Tuesday:** Consumer Price Index (CPI).

**Wednesday:** Producer Price Index (PPI). FOMC Announcement.

**Thursday:** Retail Sales. Jobless Claims.

**Friday:** Industrial Production. Purchasing Managers' Index (PMI) Composite Flash.

## Companies Reporting Earnings

**Wednesday:** Adobe, Inc. (ADBE)

**Thursday:** Costco Wholesale Corporation (COST)

**Friday:** Lennar Corporation (LEN)



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## FOOD FOR THOUGHT



*"The whole fun of living is trying to make something better"*

– **Charles Kettering**



## TAX TIP



### Tax Tips For Children Or Grandchildren With Part-Time Job

Many of us have kids or grandkids who work part-time. Whether they're bussing tables, working in a shop, or other jobs, these tips may help them (and you) understand the tax implications of part-time jobs:

- **Withholding:** If your child is working for an employer, they will generally withhold taxes from their

paycheck. If they are self-employed, however, they may be responsible for paying these taxes directly to the IRS.

- **Self-Employment:** It's a good idea to keep records of income and expenses related to self-employed work. Expenses associated with self-employment may be deductible.
- **New Employee Paperwork:** Talk to your child or grandchild about the paperwork they may need to fill out when starting a new job. This will likely include a W-4 form, which is a form that businesses use to calculate how much federal income should be withheld from their paycheck.
- **Tip Income:** All tip income is taxable, and if they make more than \$20 in cash tips a month, they must report it to their employer. In addition, they must report all yearly tips on their tax returns.
- **Payroll Taxes:** Even if your kids or grandkids earn too little to owe income tax, they may still have to either pay Social Security and Medicare taxes themselves or have them withheld from their paycheck.

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## HEALTH LIVING TIP



## How To Take A Vacation Without Leaving Home

Vacations provide a ton of benefits and are a great way to relax and take a break from your everyday stressors. But sometimes, you can't swing a whole vacation. The good news is that you can still enjoy a little getaway without leaving the comfort of your own home.

Here are some fun ways to "get away" without actually getting away:

- Create a themed cocktail or drink based on the place you're dreaming of. Whip up a fancy French cocktail and pretend you're sitting on a terrace in Paris, or order a local microbrew from a US destination that you've always wanted to go to.

- You can also create a themed dinner night and take a culinary adventure around the world. Bonus points if you design a real menu.
- Visit a museum (virtually). The Google Arts and Culture Project makes it possible to visit the Tate, Reina Sofia, and Acropolis Museum all from the comfort of your own home.

Whether you want to visit a national park, learn a new language, or try a new recipe, there are countless ways to explore the world from your living room.

## WEEKLY RIDDLE



**A man tells you there are 12 seconds in a year. This sounds absurd, but in what sense is he correct?**

*Riddle from last edition: It is found in the ground, round as a circle and yards deeper than a cup, and a hundred horses cannot pull it up. It isn't going anywhere; it cannot think; it might provide you with something to drink. What is it?*

*Answer: A well.*



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## PHOTO OF THE WEEK



*Temple of Kukulcan, Chichen Itza, Yucatan, Mexico*



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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