

Weekly Market Insights

December 5, 2022

Stocks ended higher last week as investors navigated the crosscurrents of a potential easing in future rate hikes and continued strength in the labor market.

The Dow Jones Industrial Average edged 0.24% higher, while the Standard & Poor's 500 gained 1.13%. The Nasdaq Composite index improved by 2.09% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, rose 1.68%.^{1,2,3}

MARKET INSIGHTS



Market Index	Close	Week	Y-T-D
DJIA	34,429.88	+0.24%	-5.25%
NASDAQ	11,461.50	+2.09%	-26.74%
MSCI-EAFE	1,995.94	+1.68%	-14.56%
S&P 500	4,071.70	+1.13%	-14.57%



Treasury	Close	Week	Y-T-D
10-Year Note	3.51%	-0.18%	+1.99%

Sources: The Wall Street Journal, December 2, 2022; Treasury.gov, December 2, 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, November 25, to Friday, December 2, close. Weekly performance for the MSCI-EAFE is measured from Friday, November 25, open to Thursday, December 1, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

A Choppy Week

The week started lower on concerns about protests in China over its zero-Covid policy and comments by two Fed presidents that the Fed may continue its aggressive rate hike policy. Stocks then surged on Wednesday following remarks by Fed Chair Powell, confirming the central bank's intention to slow the pace of interest rate increases, which may begin as early as this month.

Stocks buckled in early trading on Friday's monthly employment report, which showed a higher-than-expected increase in new job growth and an above-expectations jump in wage growth. But stocks cut their losses by the end of the session to lock in a positive week.

Labor May Be Key

In a presentation to the Brookings Institution, Powell said that it might be time to begin moderating the pace of rate hikes. He cited several areas of progress in the inflation fight, including a deceleration in interest rate sensitive parts of the economy, such as housing and supply chain improvement. He also noted the price declines seen in goods and rents.⁴

But Powell suggested the labor market would need to cool down before the Fed could feel confident about making sustainable progress toward its two percent inflation target. November's employment report showed robust job and wage growth, which indicated any cooling remained in the future.⁵

This Week: Key Economic Data

Monday: Purchasing Managers' Index (PMI) Composite. Factory Orders. Institute for Supply Management (ISM) Services Index.

Thursday: Jobless Claims. Purchasing Managers' Index (PMI) Manufacturing.

Friday: Producer Price Index (PPI). Consumer Sentiment.

Source: Econoday, December 2, 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: AutoZone, Inc. (AZO), MongoDB, Inc. (MDB).

Wednesday: Campbell Soup Company (CPB).

Thursday: Broadcom, Inc. (AVGO), Costco Wholesale Corporation (COST), Chewy (CHWY).

Source: Zacks, December 2, 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.

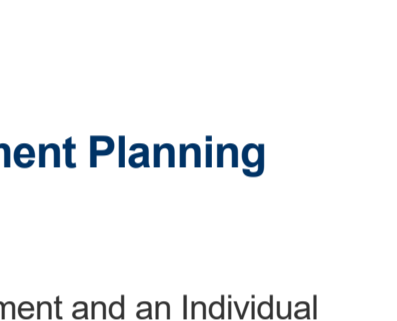
FOOD FOR THOUGHT



"In times of rapid change, experience could be your worst enemy."

— J. Paul Getty

TAX TIP



IRAs Are One Tool in the Retirement Planning Toolbox

There are many tools to use to plan for retirement and an Individual Retirement Account is one of them. There are two kinds of IRAs, traditional IRAs and Roth IRAs. Here are some quick facts about both of them:

- A traditional IRA is a tax-advantaged personal savings plan where contributions may be tax deductible.
- Generally, the money in a traditional IRA isn't taxed until it's withdrawn.
- There are annual limits to contributions depending on the person's age and the type of IRA.
- With a traditional IRA, taxpayers must start taking withdrawals from their IRA when they reach age 72
- A taxpayer can't deduct contributions to a Roth IRA.
- Qualified distributions to a Roth IRA are tax-free.
- Roth IRAs don't require withdrawals until after the death of the owner.

* 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.gov⁶

HEALTHY LIVING TIP



Tips for Checking Your Blood Pressure at Home

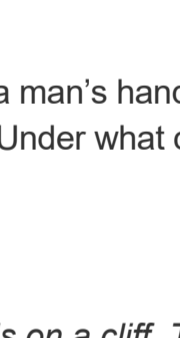
Checking your blood pressure regularly is a great step to take to monitor your health, especially if you or someone in your family is prone to high blood pressure and hypertension.

In order to check your blood pressure at home, you will need a blood pressure monitor. Most at-home blood pressure monitors today have a digital screen, but some have a manual screen. No matter which one you have, here are some tips to keep in mind:

- Position the cuff about 1 inch above the bend of your elbow. Your monitor might have an arrow of which way it should point, but generally the stethoscope head/inflator should be over the artery on the inside of your arm.
- Allow the cuff to completely deflate before reading the results.
- Keep your arm straight.
- If the results aren't accurate the first time, wait at least a minute before applying the cuff again.

Tip adapted from WebMD⁷

WEEKLY RIDDLE



A train moving as fast as it can goes off its tracks. Under what circumstances could this happen?

Last week's riddle: A lone pine tree stands on a cliff. The wind is blowing from the east through the mountains. Which way do the tree's leaves blow? Answer: Pine trees do not have leaves.

PHOTO OF THE WEEK



Surrey, England.

Footnotes and Sources

1. The Wall Street Journal, December 2, 2022
2. The Wall Street Journal, December 2, 2022
3. The Wall Street Journal, December 2, 2022
4. The Wall Street Journal, November 30, 2022
5. The Wall Street Journal, November 30, 2022
6. IRS.gov, July 11, 2022
7. WebMD, May 6, 2021

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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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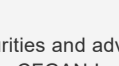
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