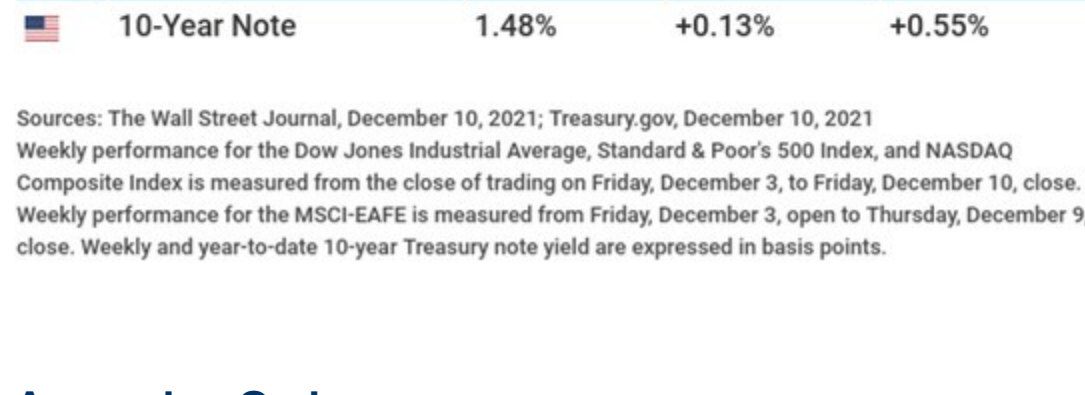


A more benign reassessment of the possible economic risk posed by Omicron sent stocks sharply higher last week.

The Dow Jones Industrial Average picked up 4.02%, while the Standard & Poor's 500 advanced 3.82%. The Nasdaq Composite index gained 3.61% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, rose 2.74%.<sup>1,2,3</sup>



Market Index	Close	Week	Y-T-D
DJIA	35,970.99	+4.02%	+17.53%
NASDAQ	15,630.60	+3.61%	+21.28%
MSCI-EAFE	2,296.30	+2.74%	+6.93%
S&P 500	4,712.02	+3.82%	+25.45%



Treasury	Close	Week	Y-T-D
10-Year Note	1.48%	+0.13%	+0.55%

Sources: The Wall Street Journal, December 10, 2021; Treasury.gov, December 10, 2021  
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, December 3, to Friday, December 10, close. Weekly performance for the MSCI-EAFE is measured from Friday, December 3, open to Thursday, December 9, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

### Assessing Omicron

Though much is still unknown about the Omicron variant, reports of potentially milder health effects and the efficacy of booster shots ignited optimism that its economic impact would be less severe than originally feared.

Stocks rallied higher each of the first three days, with strong gains in many of the reopening stocks, such as airlines, travel and leisure, financials, and energy. The performance of high-valuation growth companies was a bit more erratic as they rose and fell sharply throughout much of the week. Weakening Thursday, stocks turned higher on Friday despite a hot inflation number, pushing the S&P 500 to a new record high.<sup>4</sup>

### Inflation Factor

November's Consumer Price Index (CPI) came in at a nearly 40-year high, rising 0.8% from the previous month and 6.8% from a year ago. It is the 6th-consecutive month that inflation has exceeded 5%. Core inflation (excluding the more volatile food and energy prices) came in lower, but still posted its sharpest jump since 1991.<sup>5</sup>

Economists have attributed this elevated inflation rate to strong consumer demand, a shortage of goods due to supply chain constraints, and strong wage growth. How long this high level of inflation persists is unknown, but the Fed has begun considering policy steps to manage it.

### This Week: Key Economic Data

**Wednesday:** Retail Sales. FOMC (Federal Open Market Committee) Announcement.

**Thursday:** Jobless Claims. Housing Starts. Industrial Production. PMI (Purchasing Managers' Index) Composite Flash.

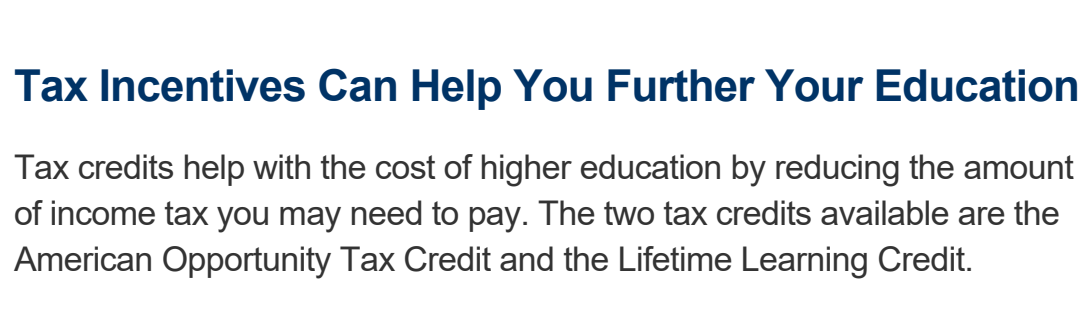
Source: Econoday, December 10, 2021  
The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate 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

**Thursday:** Adobe, Inc. (ADBE), FedEx Corporation (FDX), Lennar Corporation (LEN).

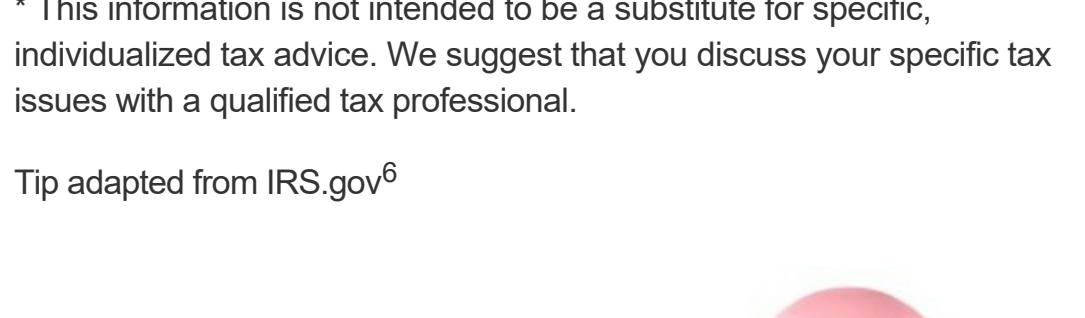
**Friday:** Darden Restaurants, Inc. (DRI).

Source: Zacks, December 10, 2021  
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.



*"Never be limited by other people's limited imaginations."*

– Mae Jemison



### Tax Incentives Can Help You Further Your Education

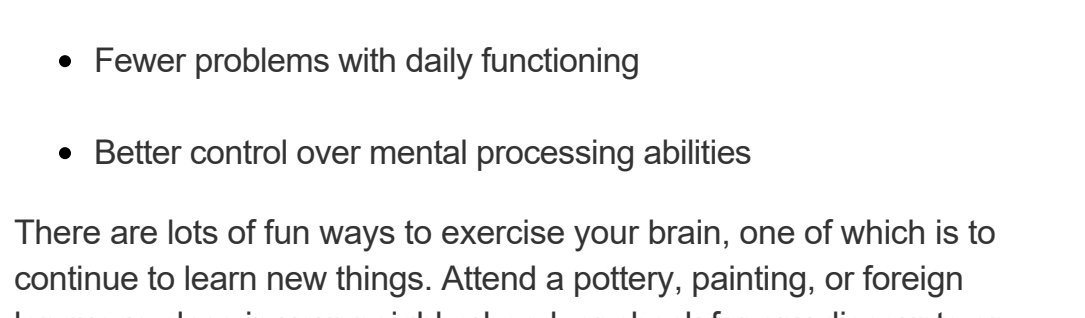
Tax credits help with the cost of higher education by reducing the amount of income tax you may need to pay. The two tax credits available are the American Opportunity Tax Credit and the Lifetime Learning Credit.

Some education savings plans offer tax benefits if the individual qualifies. Also, you may be able to deduct higher-education costs – such as tuition, student loan interest, and qualified education expenses – from your tax return.

If you've always dreamed about going back to school, whether to further your career or just to learn something new, knowing your potential tax benefits may save you money.

\* 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>6</sup>



### The Benefits of Brain Training

We know how important it is to exercise our bodies, but exercising our brains is just as important. When we continue to learn, our brains are better for it. Here are just a few benefits from "brain training," or exercising your brain:

- Improved executive functions
- Improved working memory
- Improved processing speed
- Preserved cognitive health
- Fewer problems with daily functioning
- Better control over mental processing abilities

There are lots of fun ways to exercise your brain, one of which is to continue to learn new things. Attend a pottery, painting, or foreign language class in your neighborhood, or check for any discounts on community college courses. Another great way to exercise your brain is to socialize with others, spend time in nature, and practice mind puzzles, such as crosswords, Sudoku, or a game in a brain-training app.

Tip adapted from the American Psychological Association<sup>7</sup>



I never ask you questions, yet you answer me all the time. What am I?

*Last week's riddle: You sit down to play chess. Out of the 16 pieces you have at your disposal, how many of them could be used to make your first move? Answer: 10 (eight pawns and two knights).*



Glacier hiker explores ice cave, Svinafellsjökull glacier, Skafafell National Park, Iceland.

### Footnotes and Sources

1. The Wall Street Journal, December 10, 2021
2. The Wall Street Journal, December 10, 2021
3. The Wall Street Journal, December 10, 2021
4. CNBC, December 10, 2021
5. The Wall Street Journal, December 10, 2021
6. IRS.gov, June 16, 2021
7. American Psychological Association, June 24, 2021

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 costs.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

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.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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.

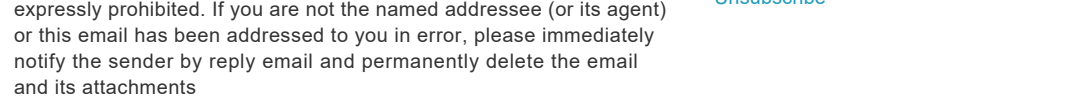
Please consult your financial professional for additional information.

This content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG is not affiliated with the named representative, financial professional, Registered Investment Advisor, Broker-Dealer, nor state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and they should not be considered a solicitation for the purchase or sale of any security.

Copyright 2021 FMG Suite.

**Mark Baca**  
mbaca@thebacagroup.com  
(916) 362-4107

The Baca Group, Inc.  
Registered Representative  
<http://www.thebacagroup.com/>



This informational email is an advertisement and intended only for the use of particular persons and entities. They may also be work product and/or protected by the attorney-client privilege or other privileges. Delivery to someone other than the intended recipient(s) shall not be deemed to waive any privilege. Review, distribution, storage, transmittal or other use of the email and any attachment by an unintended recipient is expressly prohibited. If you are not the named addressee (or its agent) or this email has been addressed to you in error, please immediately notify the sender by reply email and permanently delete the email and its attachments.

Individuals affiliated with this broker/dealer firm are either Registered Representatives who offer only brokerage services and receive transaction-based compensation (commissions), Investment Adviser Representatives who offer only investment advisory services and receive fees based on assets, or both Registered Representatives and Investment Adviser Representatives, who can offer both types of services.