

MARKET WATCH

Market Index	Close	Week	Y-T-D
DJIA	33,808.96	-0.23%	+2.00%
NASDAQ	12,072.46	-0.42%	+15.34%
MSCI-EAFE	2,147.82	+0.10%	+10.49%
S&P 500	4,133.52	-0.10%	+7.66%

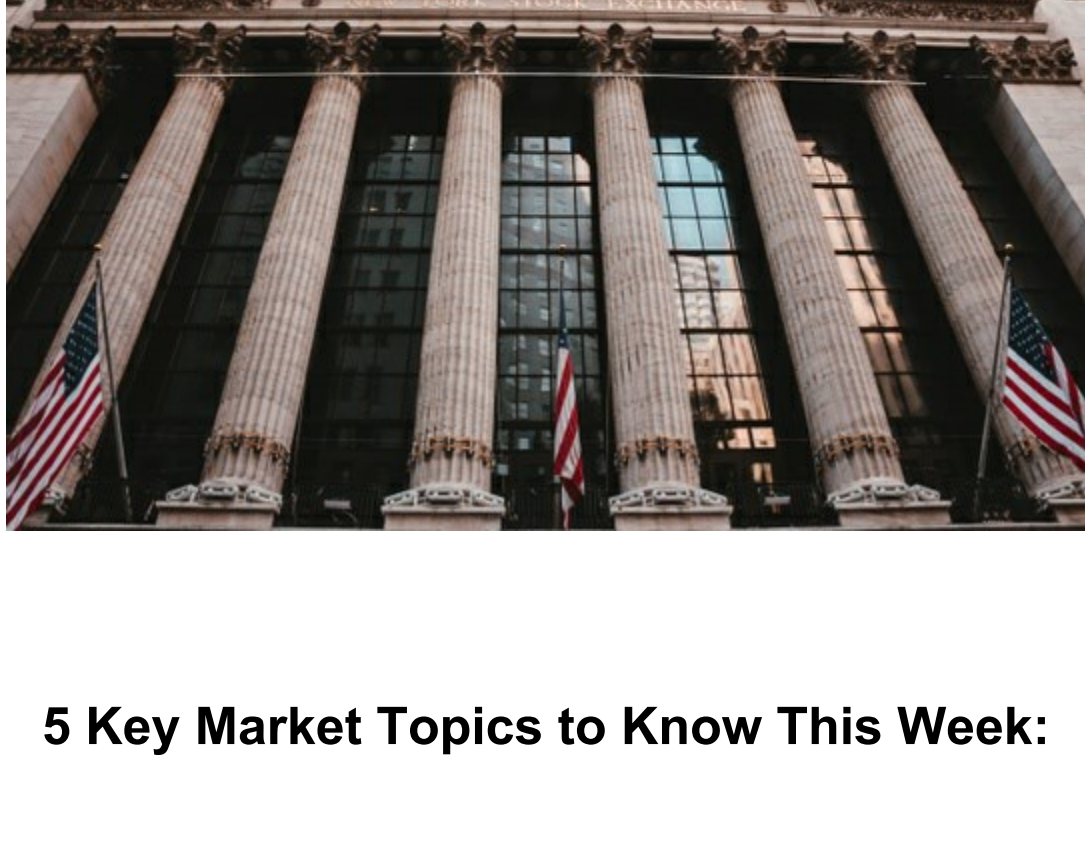
TODAY'S TOPICS

5 Things You Need to Know This Week

Key Market Levels

This Week / What We Are Watching

April is Financial Literacy Month: Helpful Retirement Strategies for Women



5 Key Market Topics to Know This Week:

1. More Banking Problems - Banking worries resurfaced on Tuesday of this week after First Republic Bank reported disappointing earnings results, prompting fears that last month's regional banking snafu isn't over just yet. The S&P 500 dropped over -1% on Tuesday, with First Republic's -43% plunge taking the banking lender's shares to a record low.

Bloomberg is reporting that the troubled bank is exploring divesting up to \$100 billion of long-dated mortgages and securities as part of a broader rescue plan.

2. Rate Hike Next Week, Then Pause? - The Federal Reserve is still expected to raise interest rates by a quarter percentage point when it meets next week. The FOMC announcement will be released midday next Wednesday, May 3rd.

3. One-Third of S&P 500 Reporting Earnings This Week - 170 companies in the S&P 500 report earnings results this week, including mega-cap technology bellwethers Alphabet (GOOG/GOOGL), Amazon (AMZN), Meta (Meta), and Microsoft (MSFT). We are particularly interested in reports from the technology and banking sectors for further clues on the state of the overall US economy.

4. LPL's Thoughts on Recession Timing and the Market -

"Our base case is the U.S. economy will likely hit a short and shallow recession sometime late this year, with a potential of that negative shock pushed out into the beginning of next year. Current indicators suggest the recession will come sooner rather than later. The Conference Board's March Leading Economic Indicators (LEI) fell to levels last seen in November 2020 when the economy was reeling from a global pandemic. A recession may be all but certain, so the more important question is if markets will hit new lows as the economy contracts. We think not. The head fake from last year's two quarters of negative economic growth and the uncertainty from an aggressive Fed were primary culprits for pushing down the markets last year. Although 2023 has its fair share of risks, we do not think markets will retest last year's lows, despite the likelihood of a recession later this year."

(Source: LPL Financial, 4/25/23)

5. "Markets see a recession as a 'feature,' not a bug." – Nicholas Colas of DataTrek put out an interesting note on the market this week saying a recession might actually be a positive catalyst for the stock market in 2023. Colas said a downturn would actually remedy the *"three most intractable problems"* that have been ailing stocks coming out of the pandemic which are:

- **High inflation:** Sticky, high prices have weighed on stocks, but a slowdown would alleviate this.
- **Aggressive Fed rate hikes:** Stocks could begin to look attractive again once policy loosens up, since bonds have been the more popular choice of late, relative to equities.
- **Falling productivity in the labor market:** A recession could stop companies from hoarding workers, which could improve profit margins.

Colas is essentially saying that markets are effectively embracing the possibility of an economic contraction and a major reason why the S&P 500 has held up so well in 2023. In his words: *"US equity markets are not just looking past an upcoming recession but actually embracing the possibility of an economic contraction,"* Colas said, adding that **all three issues in the market have been resolved quickly with every recession since 1960**.

MARKET SUPPORT



The next level of resistance to watch for the S&P 500 on the upside is at 4,180.

The next levels of support to watch for the S&P 500 on the downside are at around 4,100 and 3,800.

These are key technical levels we look for the market to either hold or push through when look at the potential for future moves. Common support levels can be the 50- and 200-day moving averages as well as other technical levels such as previous market highs or lows.

WHAT WE ARE WATCHING

The following economic data is slated to be released during the week ahead:

Monday: ---

Tuesday: S&P Case-Shiller home price index (Feb.), US Consumer Confidence (Apr.), New Home Sales (Mar.)

Wednesday: ---

Thursday: Weekly initial jobless claims, Q1 GDP

Friday: PCE Inflation Report (Mar.), Consumer Spending and Personal Income (Mar.), Univ. of Mich. Consumer Sentiment index (April)

HELPFUL RETIREMENT STRATEGIES FOR WOMEN



Preparing for retirement can look a little different for women than it does for men. Although stereotypes are changing, women are still more likely to serve as caretakers than men are, meaning they may accumulate less income and benefits due to their time absent from the workforce.

Research shows that **31% of women are currently or have been caregivers during their careers**. Women who are working also tend to put less money aside for retirement. According to one report, women contribute 30% less to their retirement accounts than men.^{1,2}

These numbers may seem overwhelming, but you don't have to be a statistic. With a little foresight, you can start taking steps now, which may help you in the long run. Click below to read about the three steps to consider that may put you ahead of the curve...

1. Transamerica.com, 2021

2. GAO.gov, 2021

[Read the Full Article](#)

A TAXING STORY: TAX GAINS & LOSSES



Understanding how capital gains are taxed may help you refine your investment strategies.

[Learn More](#)

UPCOMING EVENTS

May 13th - Paper Shredding Event

May 24th - '7 Things No One Tells You About Retirement' Seminar

June 21st - A Closer Look At Social Security

August 2nd - Medicare 101

October 3rd - Cybersecurity

[Visit the events page](#)

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