

Looking past inflation figures and Delta variant trends, stocks last week found a way to climb higher and set fresh record highs in the process.

The Dow Jones Industrial Average rose 0.87%, while the Standard & Poor's 500 advanced 0.71%. The Nasdaq Composite index was flat (-0.09%) for the week. The MSCI EAFE index, which tracks developed overseas stock markets, gained 0.77%.^{1,2,3}



Market Index	Close	Week	Y-T-D
DJIA	35,515.38	+0.87%	+16.04%
NASDAQ	14,822.90	-0.09%	+15.01%
MSCI-EAFE	2,362.81	+0.77%	+10.02%
S&P 500	4,468.00	+0.71%	+18.95%

Sources: The Wall Street Journal, August 13, 2021; Treasury.gov, August 13, 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, August 6, to Friday, August 13, close. Weekly performance for the MSCI-EAFE is measured from Friday, August 6, open to Thursday, August 12, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Quietly Climbing

Stocks moved higher amid relatively light trading last week. After initially retreating under the weight of Delta variant updates, stocks grinded higher, catalyzed by the Senate's passage of a \$1 trillion infrastructure bill.

Two themes emerged last week. The first was that inflation assumed a less threatening profile. The most recent Consumer Price Index report showed some moderation in consumer price increases, while investors appeared to interpret a hotter-than-expected Producer Price Index report as the peak in this inflation cycle.

Also worth noting were comments by multiple Federal Reserve Bank regional presidents suggesting that the time for tapering (i.e., ending the Fed's bond purchases) was nearing, with one intimating that tapering could start as early as October.⁴

Inflation Reports

Consumer prices climbed at their fastest rate since August 2008, rising 5.4% year-over-year. But this elevated rate was expected by most economists. The core inflation rate (excludes the more volatile food and energy prices) came in 4.3% higher, substantially lower than anticipated. This deceleration in core inflation was largely attributed to a slowdown in price increases in used cars and apparel.⁵

More unsettling was the following day's Producer Price Index (PPI). The PPI, which can be an indicator of future consumer prices, came in at the highest rate since tracking began, surging 7.8%.⁶

This Week: Key Economic Data

- Tuesday:** Retail Sales. Industrial Production.
- Wednesday:** Housing Starts. FOMC (Federal Open Market Committee) Minutes.
- Thursday:** Jobless Claims. Index of Leading Economic Indicators.

Source: Econoday, August 13, 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

- Tuesday:** Walmart, Inc. (WMT), The Home Depot, Inc. (HD), Agilent Technologies, Inc. (A), Roblox Corporation (RBLX).
- Wednesday:** Nvidia Corporation (NVDA), Cisco Systems, Inc. (CSCO), Target Corporation (TGT), Lowe's Companies, Inc. (LOW).
- Thursday:** Ross Stores, Inc. (ROST), The Estee Lauder Companies, Inc. (EL).
- Friday:** Deere & Company (DE).

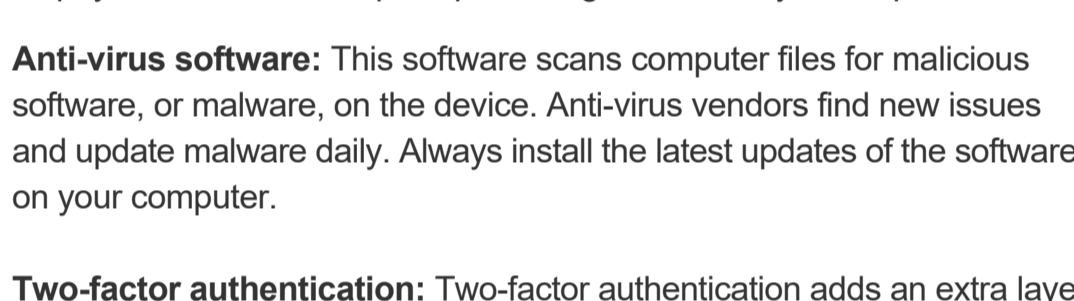
Source: Zacks, August 13, 2021
Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The 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.

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"We are what we repeatedly do. Excellence, then, is not an act, but a habit."

— Aristotle



Protect Your Tax Data

Protecting your data is very important in today's digital age. The IRS shared the "security six" guidelines that tax pros should follow to protect taxpayer data, but these principles are good for everyone to practice.

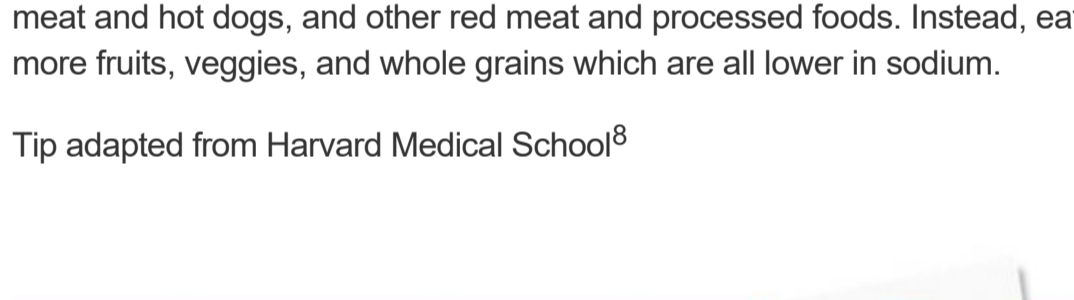
Anti-virus software: This software scans computer files for malicious software, or malware, on the device. Anti-virus vendors find new issues and update malware daily. Always install the latest updates of the software on your computer.

Two-factor authentication: Two-factor authentication adds an extra layer of protection beyond just a password. Not only do you enter your username and password, but you also enter a security code that can be sent to another device for extra protection.

Drive encryption: Drive encryption transforms sensitive data into unreadable code that cannot be deciphered easily by unauthorized people, so only the person who is authorized to access the data can do so.

* 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.gov⁷



Tips for Eating Less Salt

Sodium isn't all bad for our bodies, but too much can increase blood pressure and cause stress on the heart and blood vessels. Because of this, it's important to monitor your sodium intake and be aware of how much sodium is in the foods you're eating.

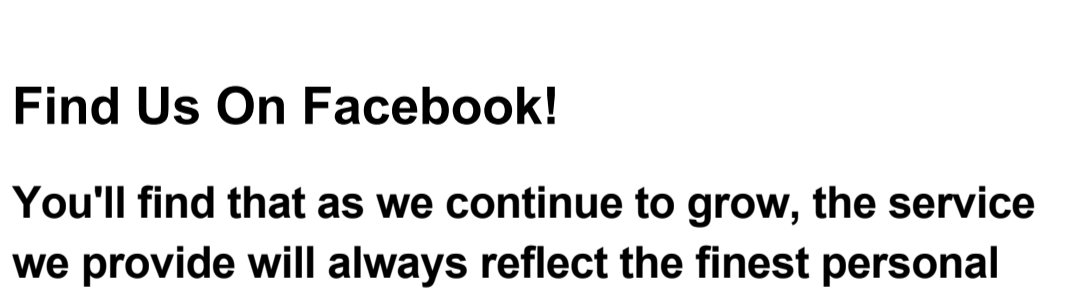
If you want to tackle cutting back on sodium, choose unprocessed or minimally-processed foods. Prepared foods are generally high in added sodium when compared to fresh options. Cut back on sources of high sodium, such as pepperoni pizza, white bread, processed cheese, deli meat and hot dogs, and other red meat and processed foods. Instead, eat more fruits, veggies, and whole grains which are all lower in sodium.

Tip adapted from Harvard Medical School⁸



What three positive numbers give the same answer when multiplied or added together?

*Last week's riddle: What has exactly three feet, but not a single toe?
Answer: A Yardstick.*



Havasupai Falls before sunset, Havasupai Reservation, Arizona.

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Footnotes and Sources

1. The Wall Street Journal, August 13, 2021
2. The Wall Street Journal, August 13, 2021
3. The Wall Street Journal, August 13, 2021
4. The Wall Street Journal, August 11, 2021
5. CNBC, August 11, 2021
6. Reuters, August 12, 2021
7. IRS.gov, September 20, 2020
8. Health.harvard.edu, October 28, 2019

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 for 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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