



Stocks fell for the second straight week on inflation concerns despite a report on consumer prices that was initially well received by investors.

Stocks Slide

Tuesday was the only bright spot during the week as stock prices rose after the Labor Department report showed the Consumer Price Index rose 3.2% in February compared with a year earlier. It was a bit warmer than economists expected but cooler than investors feared. The news sparked a day-long rally, with the Standard & Poor's 500 stock index setting its 17th record high of the year.^{1,2}

Following Tuesday, caution lingered as investors parsed the underlying data behind headline consumer inflation numbers. Thursday's fresh producer price index (PPI) report showed that wholesale prices increased by 0.6% in February, more than the expected 0.3% increase. Additionally, core PPI (excluding food and energy) was hotter than expected.

Retail sales, also reported on Thursday, were disappointing, rising less than expected and adding to the inflation angst. The news rattled investors and contributed to stocks closing lower for three consecutive days to end the week.^{3,4}



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Weekly Market Insights (WMI)

Major Index Return Summary				
Name	5D TR	1M TR	YTD TR	1Y TR
Dow Jones Industrial Average	-0.02%	0.10%	3.22%	24.07%
MSCI EAFE	-1.38%	4.22%	4.44%	21.96%
Nasdaq Composite	-0.70%	0.50%	6.58%	40.82%
S&P 500	-0.13%	1.88%	7.63%	33.59%



10-Year Note Review				
Indicator Name	Latest Value	1M Ago	3M Ago	1M Change
Date		3M Ago	1Y Ago	3M Change
10 Year Treasury Rate	4.31%	4.24%		1.65% ▲
03/15/24		3.91%		10.23% ▲
		3.51%		22.79% ▲

Broadening Leadership

Unlike the prior week when the S&P 500 fell the least, last week it lost slightly more than the Dow but less than the Nasdaq. That performance pattern suggests market leadership may be broadening. Also, the energy, financials, and materials sectors all posted gains last week, showing that other groups may join the tech-led rally.⁵



Tax Deductions You Won't Believe

While Americans are entitled to take every legitimate deduction to manage their taxes, the Internal Revenue Service (IRS) places limits on your creativity. Here are some examples of deductions from the IRS that were permitted and some that were, well, too creative.¹

Creative Deductions that Passed Muster

Usually a child's school-related costs are not deductible. However, one taxpayer was allowed to deduct the cost of travel, room, and board as a medical expense for sending a child with respiratory problems to a school in Arizona.

Pet food typically doesn't qualify as a write-off, except in the case where a business owner successfully argued that it was a legitimate expense to feed a cat protecting their inventory from vermin.

Does your child have an overbite? If so, you may find that the IRS is okay with a medical deduction for the cost of a clarinet (and lessons) to correct it.

A deduction for a swimming pool won't float with the IRS, except if you have emphysema and are under doctor's orders to improve breathing capacity through exercise. The deduction, however, was limited to the cost that exceeded the increase in property value. And yes, ongoing maintenance costs are deductible as medical expenses.

Deductions that Were Too Creative

The cost of a mink coat that a business owner bought for his wife to wear to dinner for entertaining clients was denied even though he claimed it was an integral part of dinner conversation and provided entertainment value.

Despite having dry skin, one taxpayer was denied a deduction for bath oil as a medical expense.

Losses associated with theft may be deductible, but one taxpayer went too far in deducting the loss of memories when her photos and other life souvenirs were discarded by her landlord.

One business owner reported an insurance payment as income, but then deducted the cost of the arsonist as a "consulting fee."

Don't expect taxpayers to pay for enhancements to self-image. Just ask the ballerina who tried to deduct a tummy tuck or the woman who tried to write off her Botox expenses.

Creativity is not something that the IRS typically rewards, so you should be careful testing the limits of its understanding. Seek the counsel of an experienced tax or legal professional for specific information regarding your situation.

"Little by little we human beings are confronted with situations that give us more and more clues that we aren't perfect."

– Fred Rogers



Finding Inner Peace Inside (and Indoors)

Yoga has been practiced for thousands of years and has had a revival in the last couple of decades. Yoga can be an optimal exercise choice for many individuals of all ages. But before getting started with any fitness regimen, discuss any medical concerns with your healthcare provider; this information is not a substitute for medical advice.

While there are many different styles of yoga, yoga is generally a low-impact form of exercise. In addition to fitness benefits, it can help you learn relaxation and breathing techniques and how to regulate emotions and quiet your mind. It's also a great form of indoor exercise, and there are thousands of free classes on YouTube. So, if you're still enduring the remnants of winter, you can practice quieting your inner monologue by doing yoga from the comfort of your home.

Tip adapted from Healthline.com⁷



The letters in the words meter, man and uses may be rearranged to make a 12-letter word. What is this word?

Last week's riddle: The 22nd and 24th U.S. presidents had the same parents– yet the 22nd and 24th U.S. presidents were not siblings. Why?

Answer: The 22nd and 24th U.S. presidents were the same person - Grover Cleveland.

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