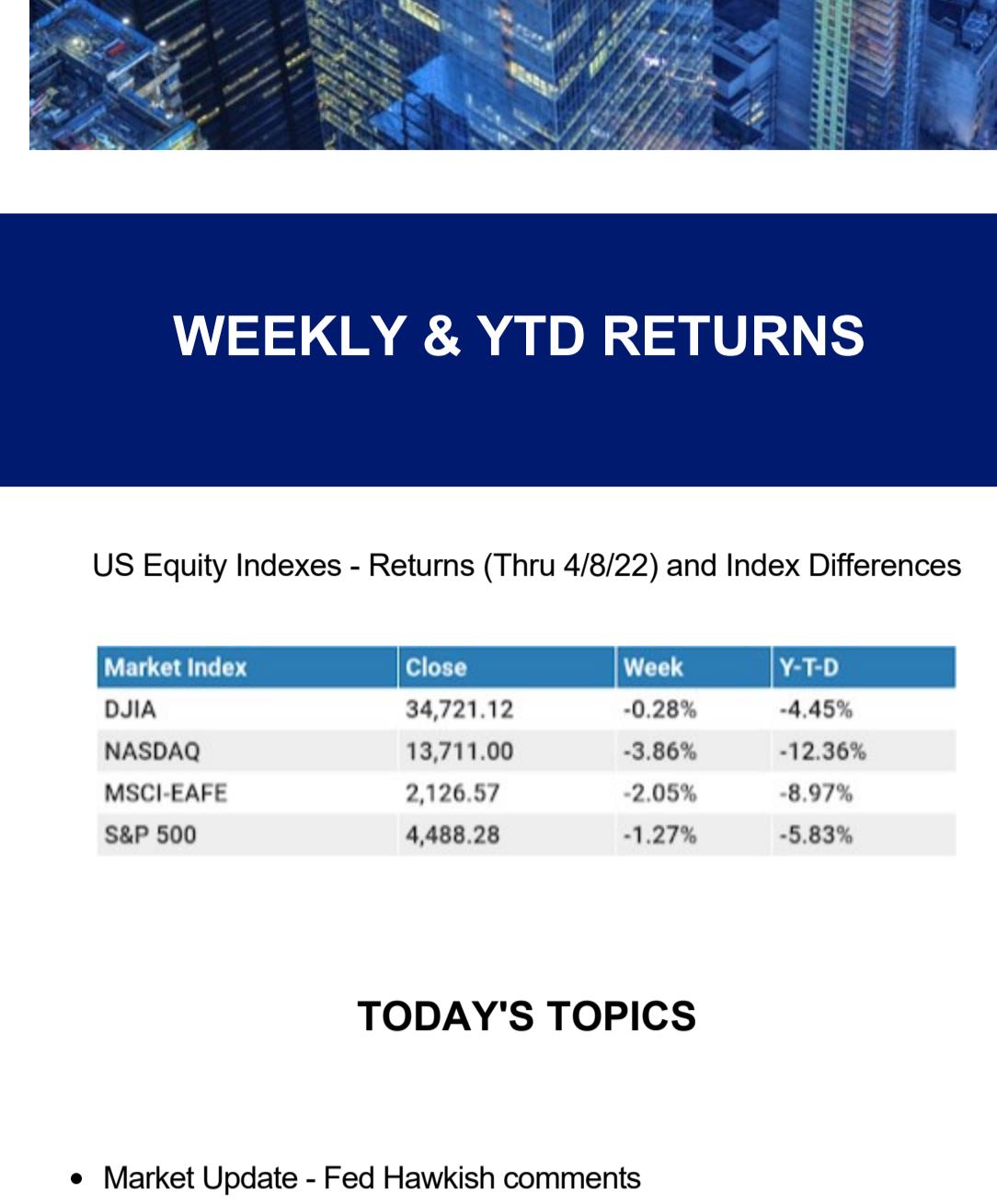


**MARKET WATCH UPDATE****WEEKLY & YTD RETURNS**

US Equity Indexes - Returns (Thru 4/8/22) and Index Differences

Market Index	Close	Week	Y-T-D
DJIA	34,721.12	-0.28%	-4.45%
NASDAQ	13,711.00	-3.86%	-12.36%
MSCI-EAFE	2,126.57	-2.05%	-8.97%
S&P 500	4,488.28	-1.27%	-5.83%

**TODAY'S TOPICS**

- Market Update - Fed Hawkish comments
- Earnings Season
- Market Resistance/Support
- What we are watching
- Good Friday - Markets closed (4/15/22)

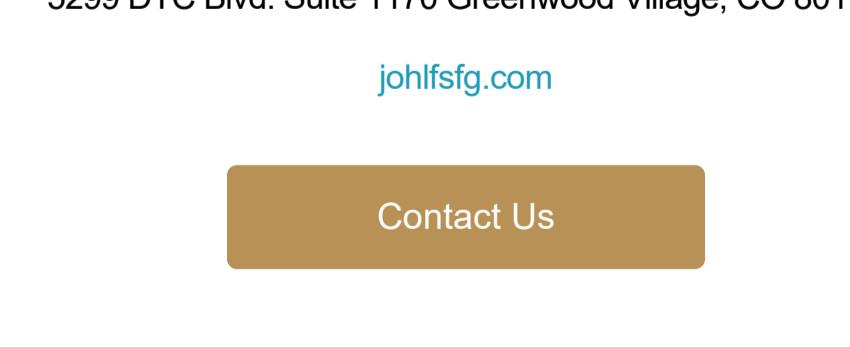
**OVERVIEW**

The S&P 500 fell -1.27% last week while weakness in the Technology sector sent the NASDAQ Composite down -3.86%. Investor sentiment continues to be shaped by a hawkish Fed, commodity disruptions caused by Russia's invasion of Ukraine, and continued chatter around the yield curve and its implication for future economic slow. Meanwhile, supply-chain worries persist as China's Covid-19 outbreak continues to spread despite an extended lockdown of Shanghai's 25 million people. Investors are awaiting earnings reports later month to restore confidence in the outlook for equities.

- On Tuesday of last week, investors were somewhat surprised by comments from Fed governor Lael Brainard, who is generally one of the Fed's more dovish members, who suggested the Fed could take a more aggressive approach with interest rates.
- The Fed unease extended into Wednesday when minutes of the last Federal Open Market Committee (FOMC) meeting were released, signaling a potentially faster pace in both interest rate hikes and in the reduction of the Fed's balance sheet. Yields climbed steadily throughout the week as the bond market digested this new information. Particularly hard hit were high valuation stocks, as reflected in the 4% drop in the Nasdaq.

**EARNINGS SEASON**

With first-quarter earnings season about to get underway, many investors are understandably worried that growing economic uncertainty caused by high inflation and Fed's rate hikes could jeopardize the recent rebound in US stocks. But historical experience suggests quite the opposite. Earnings seasons usually propel stocks to above-average returns, especially during periods of high economic and policy uncertainty. The positive effect has even intensified during the pandemic as the somewhat permanent impairment in confidence has allowed company reports to spark repeated relief rallies in stocks when the results aren't as bad as feared.



Source: Bloomberg

**MARKET RESISTANCE LEVEL**

As shown in the chart above, the next area of resistance on the upside for the S&P 500 is around 4,600 (red line.) Support on the other hand is the 4,110-4,270 level (green line.)

Recall these are key technical levels we look for the market to either hold on to or fall below. Resistance and 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****Events to watch this week:**

- Earnings season kicks off, including reports from Citigroup, JPMorgan Chase, Goldman Sachs, Morgan Stanley, Taiwan Semiconductor Manufacturing, Wells Fargo
- US. CPI, Tuesday
- OPEC monthly oil market report, Tuesday
- Fed Governor Lael Brainard, Richmond Fed President Thomas Barkin due to speak, Tuesday
- US. retail sales, initial jobless claims, business inventories, University of Michigan consumer sentiment, Thursday
- Cleveland Fed President Loretta Mester, Philadelphia Fed President Patrick Harker due to speak Thursday
- US. stock and bond markets are among those closed for Good Friday

**Contact Us**

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