

Stocks closed lower for the week as escalating tensions on the Russian-Ukrainian border added to existing jitters over higher inflation and a pending tightening of monetary policy.

The Dow Jones Industrial Average slid 1.90%, while the Standard & Poor's 500 declined 1.58%. The Nasdaq Composite index lost 1.76% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, fell 1.00%.^{1,2,3}

MARKET INSIGHTS



Market Index	Close	Week	Y-T-D
DJIA	34,079.18	-1.90%	-6.22%
NASDAQ	13,548.07	-1.76%	-13.40%
MSCI-EAFE	2,256.56	-1.00%	-3.40%
S&P 500	4,348.87	-1.58%	-8.76%



Treasury	Close	Week	Y-T-D
10-Year Note	1.92%	+0.00%	+0.40%

Sources: The Wall Street Journal, February 18, 2022; Treasury.gov, February 18, 2022. 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, February 11, to Friday, February 18, close. Weekly performance for the MSCI-EAFE is measured from Friday, February 11, open to Thursday, February 17, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Geopolitical Tensions

Markets have been skittish in recent weeks due to persistent, elevated inflation and the uncertainty over how aggressive the Federal Reserve may be with its monetary tightening. As tensions escalated between Russia and the West over a possible Russian invasion of Ukraine, investors moved away from risk assets, such as stocks, and sought the safety of U.S. Treasury bonds.

Stocks were hard hit on Thursday as reports surfaced that both sides were exchanging artillery fire. The slide continued on Friday as prospects of a diplomatic offramp appeared to dim. While geopolitical news dominated trading last week, investors were relieved by the Federal Open Market Committee meeting minutes (released on Wednesday) that suggested the Fed may not act any more aggressively than current market expectations.⁴

An Early Economic Snapshot

Last week three economic reports provided an update on the state of the economy. The first was the Producer Price Index, which suggested that inflationary pressures remain acute. Wholesale prices rose 1.0% last month and posted a 12-month rise of 9.7%, the latter of which was near a record high.⁴

The consumer showed continued strength as retail sales rose a better-than-expected 3.8%, though some of that gain may be due to higher costs. Meanwhile, industrial production gained 1.4%, nearly triple the consensus expectation. Capacity utilization increased 1.0 percent, reaching its highest level since March 2019.⁵

This Week: Key Economic Data

Tuesday: Purchasing Managers' Index (PMI) Flash. Consumer Confidence.

Thursday: Gross Domestic Product (GDP). Jobless Claims. New Home Sales.

Friday: Consumer Sentiment. Durable Goods Orders.

Source: Econoday, February 18, 2022

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: The Home Depot, Inc. (HD), Palo Alto Networks, Inc. (PANW), Agilent Technologies, Inc. (A).

Wednesday: Lowe's Companies, Inc. (LOW), The TJX Companies, Inc. (TJX), eBay, Inc. (EBAY), Booking Holdings, Inc. (BKNG).

Thursday: Block, Inc. (SQ), Dell Technologies, Inc. (DELL), VMware, Inc. (VMW), Ingersoll Rand, Inc. (IR), Anheuser-Busch InBev (BUD).

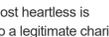
Friday: Berkshire Hathaway, Inc. (BRK.B), EOG Resources, Inc. (EOG).

Source: Zacks, February 18, 2022

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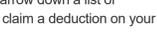
FOOD FOR THOUGHT



"Life is either a daring adventure, or nothing."

– Helen Keller

TAX TIP



Beware of the Fake Charity Scam

There are so many scams out there and one of the most heartless is taking advantage of people who want to give money to a legitimate charity, especially after a tragedy or disaster. Scammers can set up fake organizations to take advantage of people's generosity.

These scams are usually over the phone and while the organization may sound legitimate, the person on the other line might be demanding a donation right away. Remember, a charity will be happy to receive a donation at any time so you shouldn't feel pressured.

You can research charity organizations using the IRS Tax Exempt Organization Search tool. This will help you narrow down a list of legitimate charities. You may even be able to claim a deduction on your tax return.

* 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.gov⁶

HEALTHY LIVING TIP



How to Understand Your Blood Pressure Readings

It's important to understand what your blood pressure readings mean, especially if you are at a greater risk for high blood pressure. Here are the ranges you should know, according to the American Heart Association:

- Normal ranges are less than 120 for systolic mmHg (the top number in the reading) and less than 80 for diastolic mmHg (the lower number)
- Elevated ranges are 120-129 systolic **and** less than 80 diastolic
- High blood pressure (hypertension) stage 1 ranges are 10-139 systolic or 80-89 diastolic
- High blood pressure (hypertension) stage 2 ranges are 140 or higher systolic or 90 or higher diastolic
- Hypertensive crisis (a medical emergency) ranges are higher than 180 for systolic and/or higher than 120 diastolic

Tip adapted from the American Heart Association⁷

WEEKLY RIDDLE



You go in through one hole, you come out through three holes. Once you're inside you're ready to go outside, but once you're outside you're still inside. What is it?

Last week's riddle: What is the smallest number of cars that can be driven down the road in this formation: two cars ahead of a car, two cars behind a car, and a car between two cars? Answer: Three cars. One car in front, one in the middle, and one behind.

PHOTO OF THE WEEK



Ko Muk, Thailand.

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Footnotes and Sources

1. The Wall Street Journal, February 18, 2022
2. The Wall Street Journal, February 18, 2022
3. The Wall Street Journal, February 18, 2022
4. CNBC, February 15, 2022
5. CNBC, February 16, 2022
6. IRS.gov, July 28, 2021
7. Heart.org, September 30, 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 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 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.

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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.

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