**Weekly Market Commentary |
April 4, 2022**

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**04.04.2022**

**The Markets**

Checking in on the Federal Reserve.

Among other things, Congress asks the Federal Reserve to use its tools to promote price stability and maximum employment. Last week, economic data provided information about both.

**Inflation continued to increase**

Price stability means ensuring the prices of goods and services increase at a slow and stable pace. Last week, the *Bureau of Economic Analysis* reported that consumer prices rose 5.4 percent, year-over-year in February, excluding food and energy. When food and energy were included, inflation increased 6.4 percent.

Personal income increased, too, but not quite as quickly as inflation did.

The Fed’s target for inflation is 2 percent. To bring inflation into line, the Fed has begun tightening monetary policy. So far, it has ended asset purchases and started raising the federal funds target rate. Next, the Fed says it will begin to shrink its balance sheet.However, it blames the war in Ukraine and a new COVID-19 outbreak in China for complicating its inflation calculations.

**Unemployment remained low**

Maximum employment is “…the highest level of employment the economy can sustain without generating unwelcome inflation It describes an economy in which nearly everyone who wants to work has a job, reported Lorena Hernandez Barcena and David Wessel of Brookings.”

Not everyone who wants a job has one, but last week’s employment report from the Bureau of Labor Statistics showed the unemployment rate was quite low at 3.6 percent.

Major stock indices finished the week mixed, reported Ben Levisohn of *Barron’s*. The Treasury yield curve inverted last week with the yield for a 10-year Treasury dropping below the yield for a 2-year Treasury.

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| **Data as of 4/1/22** | **1-Week** | **Y-T-D** | **1-Year** | **3-Year** | **5-Year** | **10-Year** |
| Standard & Poor's 500 Index | 0.1% | -4.6% | 13.1% | 16.6% | 14.0% | 12.4% |
| Dow Jones Global ex-U.S. Index | 0.8 | -6.5 | -4.9 | 4.9 | 4.4 | 3.2 |
| 10-year Treasury Note (yield only) | 2.4 | N/A | 1.7 | 2.5 | 2.4 | 2.2 |
| Gold (per ounce) | -1.3 | 6.0 | 11.8 | 14.3 | 9.1 | 1.4 |
| Bloomberg Commodity Index | -4.6 | 24.9 | 47.8 | 14.9 | 7.9 | -1.4 |

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

**Financial Literacy Month…**April marks the start of Financial Literacy Month, a nationally recognized movement to promote and support financial understanding in children and teens. For many, it's a fantastic opportunity to teach and connect with their children or grandchildren, and these kids are ready to learn! Recent data shows that nearly 74% of teens desire to be financially literate, and 86% want to learn how to invest.

**Teens tune in**

Every parent has questioned if their child is actually paying attention. But rest assured, our children and grandchildren are listening: 75% of teens in America identify their family as their most trusted source of financial education. In other words, our youngest savers and investors are looking to us for their financial education.

**How to start**

It all begins with a frank conversation regarding finances. By demonstrating your openness to discussing what many consider a "taboo" topic, you're also modeling how to approach finances for your young learner. In time, they'll learn to view financial issues and goals clearly with as little unnecessary stress as possible.

**A bright future**

Financial literacy month has been shown to have a lasting, positive impact on our future investors. Children who are taught personal finance from a young age are more likely to secure lower-cost loans and grants when paying for college and less likely to rely on private loans or high-interest credit cards.

If you decide to put your "teacher" hat on this month, let us know! We're always happy to help educate and support our future generations.

**Weekly Focus – Think About It**

“What you see and what you hear depends a great deal on where you are standing. It also depends on what sort of person you are.”

*—C.S. Lewis, author*

Best regards,

Adam B. Hartung

P.S.  Please feel free to forward this commentary to family, friends or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

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\* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.  However, the value of fund shares is not guaranteed and will fluctuate.

\* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

\* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.

\* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client’s portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.

\* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.

\* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

\* Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM.

\* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.

\* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.

\* The Dow Jones Industrial Average (DJIA), commonly known as “The Dow,” is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.

\* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.

\* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

\* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

\* The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

\* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

\* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

\* Past performance does not guarantee future results. Investing involves risk, including loss of principal.

\* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.

\* There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

\* Asset allocation does not ensure a profit or protect against a loss.

\* Consult your financial professional before making any investment decision.

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