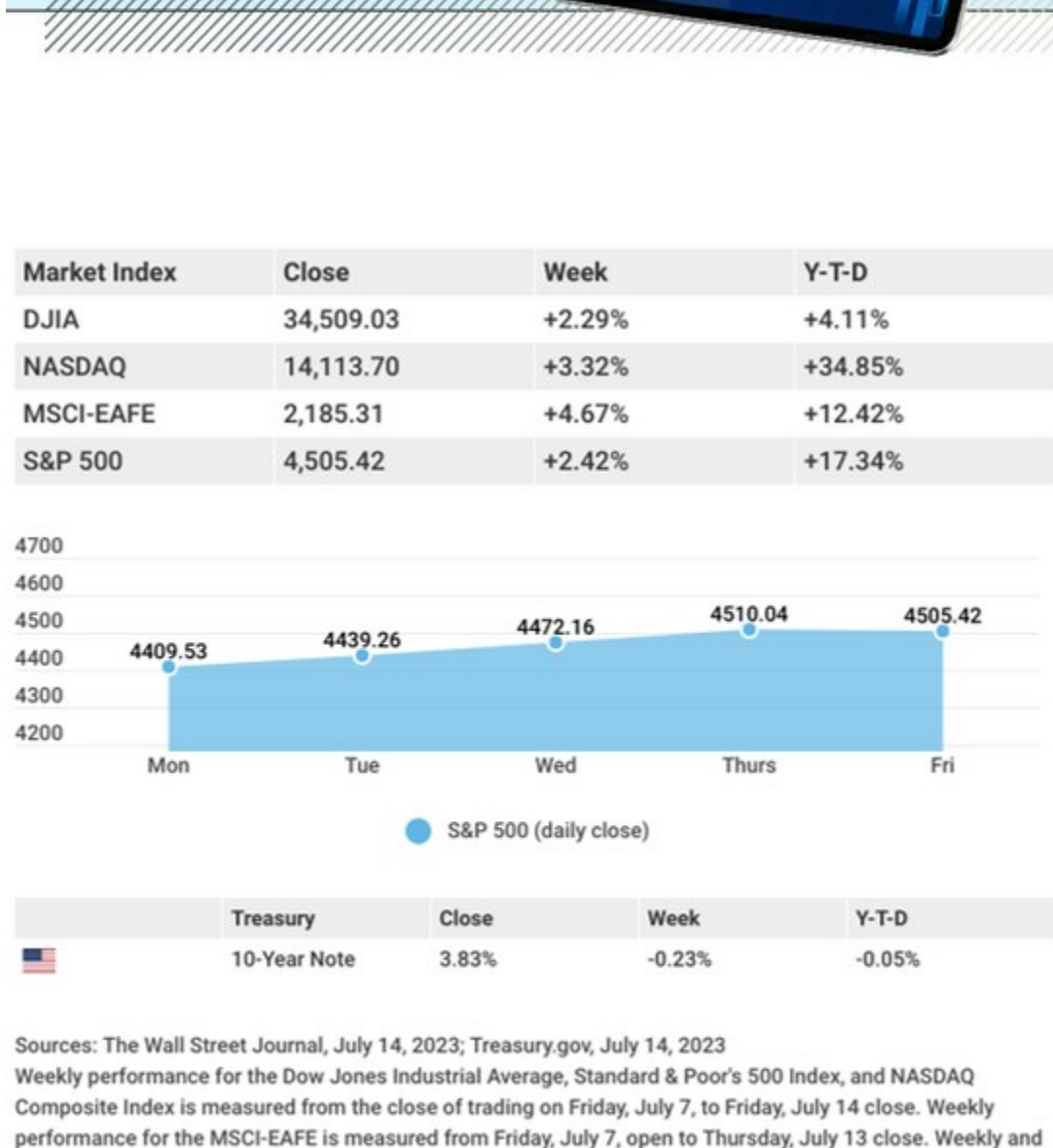


Weekly Market Insights

July 17, 2023,

Better-than-expected updates last week on consumer and wholesale price inflation buoyed investor sentiment, driving stocks higher and lower bond yields.

The Dow Jones Industrial Average rose 2.29%, while the Standard & Poor's 500 increased 2.42%. The Nasdaq Composite index advanced 3.32% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, gained 4.67%, 1.2, 3



Inflation Sparks Stocks

Back-to-back positive inflation reports emboldened investors, sending stocks to their highest levels since April 2022. Lower-than-forecast inflation on both consumer prices and producer prices sparked investor optimism that inflation may be able to fall further without tipping the economy into recession and provide the basis for the Fed to moderate its more hawkish rate hike stance.⁴

After four straight days of increases, investor attention turned to the kick-off of a new earnings season on Friday. Despite some positive earnings surprises from several big banks and a major healthcare provider, stocks closed out a good week with a slight decline.

Inflation Cools

Inflation continued its downward trend last month, falling at its slowest pace in over two years. Consumer prices rose 0.2% in June and 3.0% from a year ago. Both were below economists' consensus forecast. Core inflation (excludes food and energy), which has been more stubborn, fell to 4.8% year-over-year—its lowest level since October 2021.⁵

The positive disinflationary story continued the following day with a lighter-than-forecast increase in producer prices. Wholesale prices increased 0.1% in June, which was lower than the consensus forecast of 0.2%. The increase from a year ago was also 0.1%, representing the smallest gain in nearly three years. Core producer price rose 2.6% year-over-year.⁶

This Week: Key Economic Data

Tuesday: Retail Sales. Industrial Production.

Wednesday: Housing Starts.

Thursday: Existing Home Sales. Index of Leading Economic Indicators. Jobless Claims.

Source: Econoday, July 14, 2023

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: Bank of America Corporation (BAC), Lockheed Martin Corporation (LMT), Morgan Stanley (MS), The Charles Schwab Corporation (SCHW), The PNC Financial Services Group, Inc. (PNC), Prologis, Inc. (PLD)

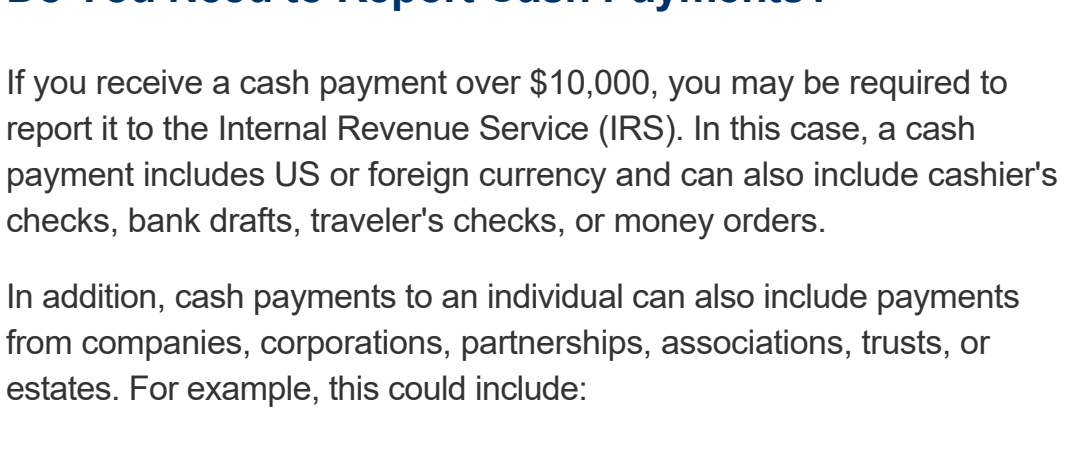
Wednesday: Netflix, Inc. (NFLX), Tesla, Inc. (TSLA), International Business Machines Corporation (IBM), The Goldman Sachs Group, Inc. (GS)

Thursday: Johnson & Johnson (JNJ), Blackstone, Inc. (BX), Intuitive Surgical, Inc. (ISRG), Abbott Laboratories (ABT), American Airlines Group, Inc. (AAL), CSX Corporation (CSX), Freeport-McMoRan, Inc. (FCX), United Airlines Holdings, Inc. (UAL), Capital One Financial Corporation (COF)

Friday: American Express Company (AXP)

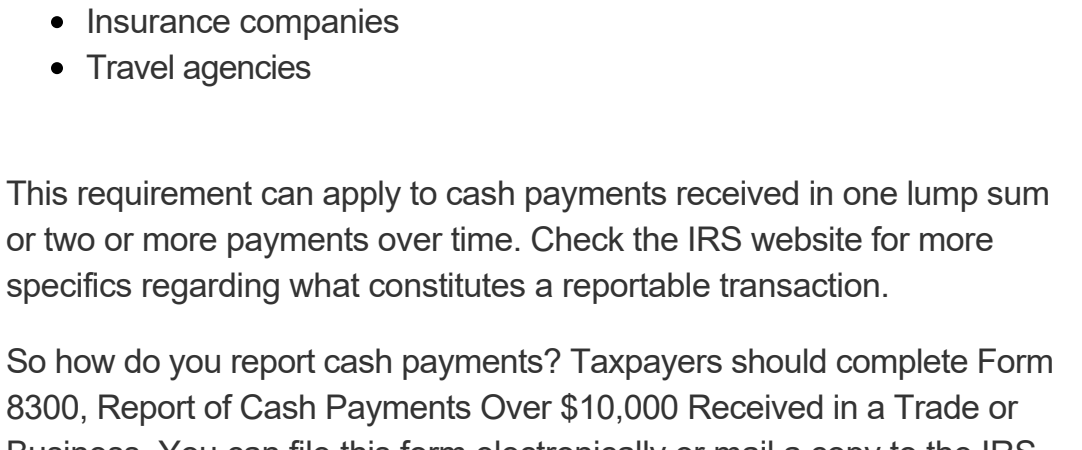
Source: Zacks, July 14, 2023

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.



"Half of wisdom is learning what to unlearn."

– Larry Niven



Do You Need to Report Cash Payments?

If you receive a cash payment over \$10,000, you may be required to report it to the Internal Revenue Service (IRS). In this case, a cash payment includes US or foreign currency and can also include cashier's checks, bank drafts, traveler's checks, or money orders.

In addition, cash payments to an individual can also include payments from companies, corporations, partnerships, associations, trusts, or estates. For example, this could include:

- Dealers of jewelry, furniture, boats, aircraft, automobiles, art, rugs, and antiques
- Pawnbrokers
- Attorneys
- Real estate brokers
- Insurance companies
- Travel agencies

This requirement can apply to cash payments received in one lump sum or two or more payments over time. Check the IRS website for more specifics regarding what constitutes a reportable transaction.

So how do you report cash payments? Taxpayers should complete Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or Business. You can file this form electronically or mail a copy to the IRS. You must submit Form 8300 within 15 days of receiving the cash payment.

"This information is not intended to substitute for specific individualized tax advice. We suggest you discuss your specific tax issues with a qualified tax professional."

Tip adapted from IRS.gov⁷



What Are Polyphenols?

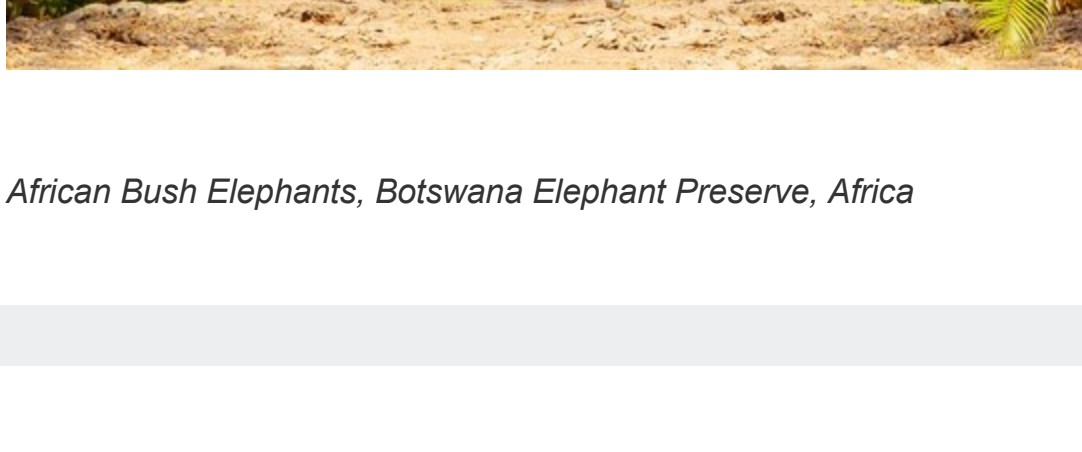
You may have heard of polyphenols, as they're getting a lot of buzz in the health and wellness community. But what are they, and what are their benefits?

Polyphenols are a category of plant compounds that may offer various health benefits, from boosting brain health and digestion to protecting against heart disease, type 2 diabetes, and even some cancers.

There are many sources of polyphenols, including dark chocolate, tea, and dark berries. Even red wine may contain polyphenols. There are four main types of polyphenols:

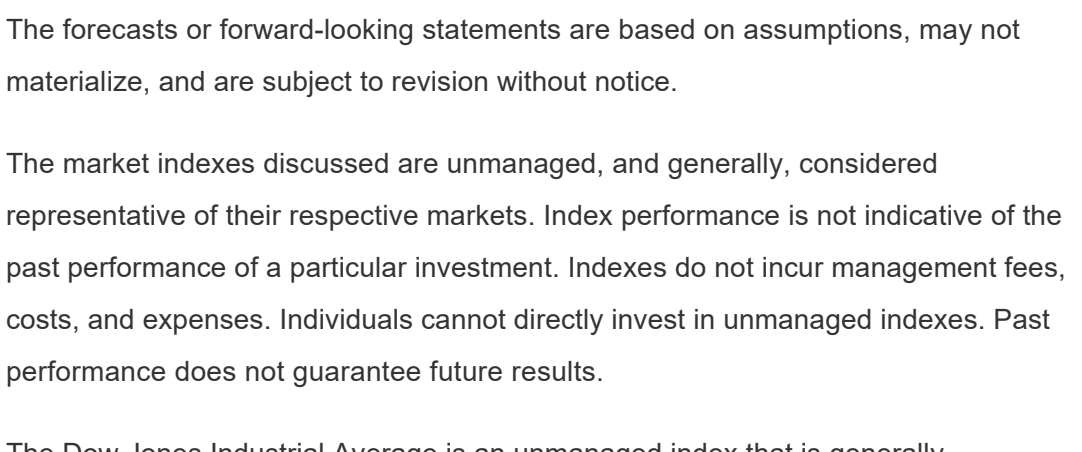
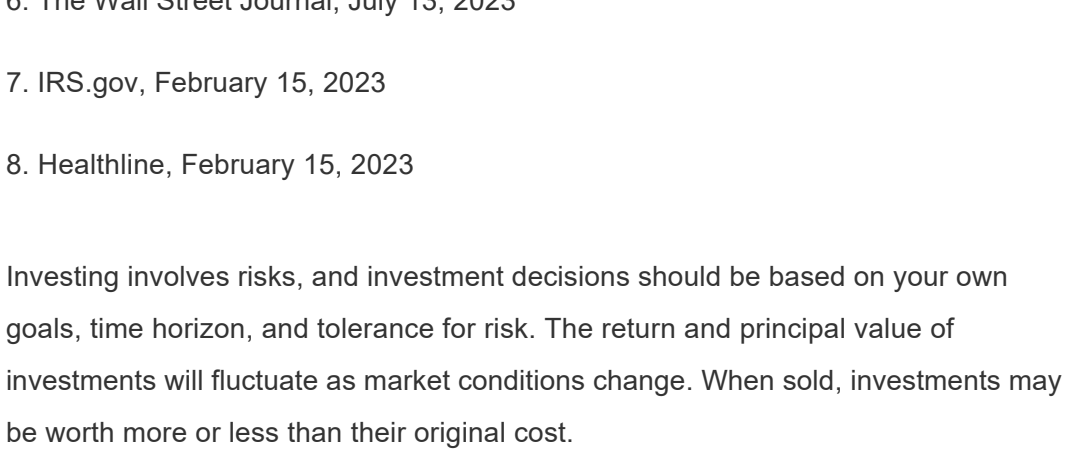
- Flavonoids: Flavonoids account for around 60% of all polyphenols, found in foods like apples, onions, dark chocolate, and red cabbage.
- Phenolic acids: Phenolic acids account for about 30% of polyphenols, found in fruits, veggies, whole grains, and seeds.
- Polyphenolic amides: Polyphenolic amides are in chili peppers and oats.
- Other polyphenol foods include red wine, berries, turmeric, flax seeds, sesame seeds, and whole grains.

Tip adapted from Healthline⁸



What is the longest word in English to have only one vowel repeated? (Hint: It has 18 total letters, and the vowel repeats four times.)

Last week's riddle: What lives above a star but never burns, has 11 neighbors, and can replace the letters P, Q, R, or S in some cases? Answer: The number 7 on most telephone keypads.



African Bush Elephants, Botswana Elephant Preserve, Africa

Footnotes and Sources

1. The Wall Street Journal, July 14, 2023
2. The Wall Street Journal, July 14, 2023
3. The Wall Street Journal, July 14, 2023
4. The Wall Street Journal, July 13, 2023
5. The Wall Street Journal, July 12, 2023
6. The Wall Street Journal, July 13, 2023
7. IRS.gov, February 15, 2023
8. Healthline, February 15, 2023

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.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

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.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original Price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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.

This content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG is not affiliated with the named representative, financial professional, Registered Investment Advisor, Broker-Dealer, nor state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and they should not be considered a solicitation for the purchase or sale of any security.

Copyright 2023 FMG Suite.

Mark Baca
mbaca@thebacagroup.com
(916) 362-4107

The Baca Group, Inc.
Registered Representative
<http://www.thebacagroup.com/>

