



MARKET INSIGHTS

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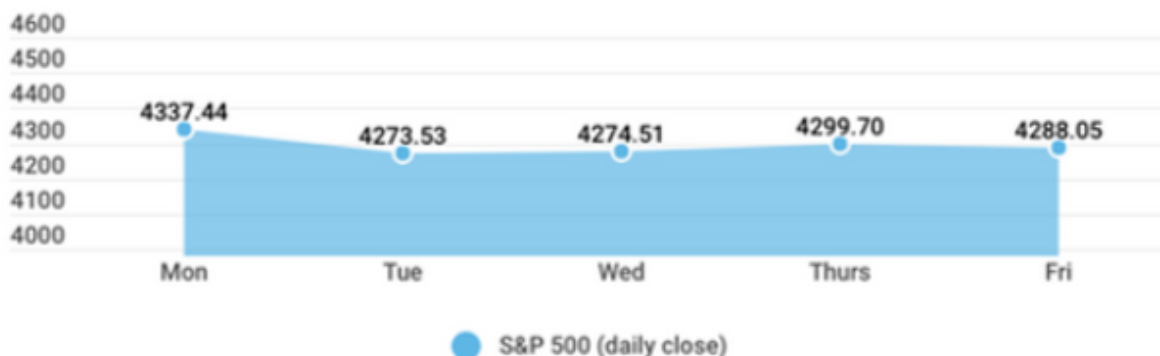
October 2, 2023

BOND YIELDS RISE; GOVERNMENT SHUTDOWN LOOMS

Rising bond yields and government shutdown fears left stocks in mostly negative territory for the week.

The Dow Jones Industrial Average lost 1.34%, while the Standard & Poor's 500 slipped 0.74%. The Nasdaq Composite index was flat (+0.06%) for the week. The MSCI EAFE index, which tracks developed overseas stock markets, fell 1.95%.

Market Index	Close	Week	Y-T-D
DJIA	33,507.50	-1.34%	+1.09%
NASDAQ	13,219.32	+0.06%	+26.30%
MSCI-EAFE	2,024.37	-1.95%	+4.14%
S&P 500	4,288.05	-0.74%	+11.68%



	Treasury	Close	Week	Y-T-D
	10-Year Note	4.59%	+0.15%	+0.71%

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Stocks Follow the Bond Market

The bond market drove stock prices for much of last week as investors fretted about rising bond yields. After beginning the week with small gains, stocks resumed their September decline amid weak housing data and a decline in consumer confidence. However, it was the jump in bond yields, which sent the 10-year Treasury yield to near a 15-year high, that may have most undermined investor sentiment.

After a failed attempt at a rebound mid-week, stocks staged a Thursday rally on a pause in bond yield increases—a rally that extended into Friday morning on an encouraging core personal consumption expenditures (PCE) price index report. (PCE is the Fed's preferred inflation gauge.) But the rally faded as traders fixated on a potential government shutdown.

Mixed Economic Signals

Amid recent signs of a labor market cooling (a hopeful sign for ending rate hikes), last Thursday's initial jobless claims report showed only a slight

increase of 204,000. That was the second-lowest reading since January and below economists' expectations of 215,000. Continuing claims declined by 12,000.

That same morning, the final estimate of second-quarter GDP was released, indicating a 2.1 annualized growth rate—unchanged from the previous estimate. However, beneath the headline number, consumer spending was cut to a 0.8 percent rise from its earlier estimate of 1.7 percent—a worrisome revision since consumer spending is the engine of the U.S. economy.

Key Economic Data

Monday: Institute for Supply Management (ISM) Manufacturing Index.

Tuesday: Job Openings and Turnover Survey (JOLTS).

Wednesday: Automated Data Processing (ADP) Employment Report. Institute for Supply Management (ISM) Services Index.

Thursday: Jobless Claims.

Friday: Employment Situation.

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Companies Reporting Earnings

Thursday: Constellation Brands, Inc. (STZ)

FOOD FOR THOUGHT



"Time is the only critic without ambition."

—John Steinbeck

TAX TIP



Who Can Deduct Car Expenses On Their Tax Returns?

Can you deduct expenses such as gas, depreciation, and lease payments on your tax returns? If you are a business owner or self-employed individual, you may be able to. If you use your car for business and personal purposes, you will want to base any deductions on the mileage used for business.

There are two ways to calculate the car expenses you can deduct. The first method calculates and deducts expenses, including depreciation, lease payments, gas and oil, tires, repairs and

tune-ups, insurance, and registration fees.

The second is to use the standard mileage rate, which is a rate calculated to represent gas and some of the above factors. In 2023, the standard mileage rate is 65.5 cents per mile. Taxpayers who want to use the standard mileage rate for a car they own must use this method in the first year the vehicle is available for use in their business.

HEALTH LIVING TIP



What Are Essential Oils?

You've likely heard about the many potential benefits of essential oils, but what exactly are essential oils?

Essential oils are compounds extracted from plants, obtained through distillation or cold pressing. The best essential oils are pure, with no other chemicals added. In addition to using essential oils in a diffuser as aromatherapy, you can apply them topically. Inhaling the aromas from essential oils may stimulate areas of your limbic system, a part of your brain that plays a role in emotions, behaviors, sense of smell, and long-term memory.

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WEEKLY RIDDLE



How can you turn the Roman numeral for 9 (IX) into 6 by merely drawing a single, continuous line?

Riddle from last edition: Take a left-handed glove and turn it inside out. Which of your hands will it now fit – the left or the right?

Answer: It will fit your right hand.

PHOTO OF THE WEEK



Gasadalur Waterfall, moody sky, Vagar, Faroe Islands



Do you have questions about your finances, the market, or the economy?

Park 10 Financial has the knowledge and expertise to answer all of your concerns.

Email: info@park10financial.com