

## MARKET WATCH

Market Index	Close	Week	Y-T-D
DJIA	33,727.43	-1.67%	+1.75%
NASDAQ	13,492.52	-1.44%	+28.91%
MSCI-EAFE	2,127.43	-2.00%	+9.44%
S&P 500	4,348.33	-1.39%	+13.25%

## Today's Topics

Market Outlook - Topics to Know This Week

Key Market Levels

Drive Time:

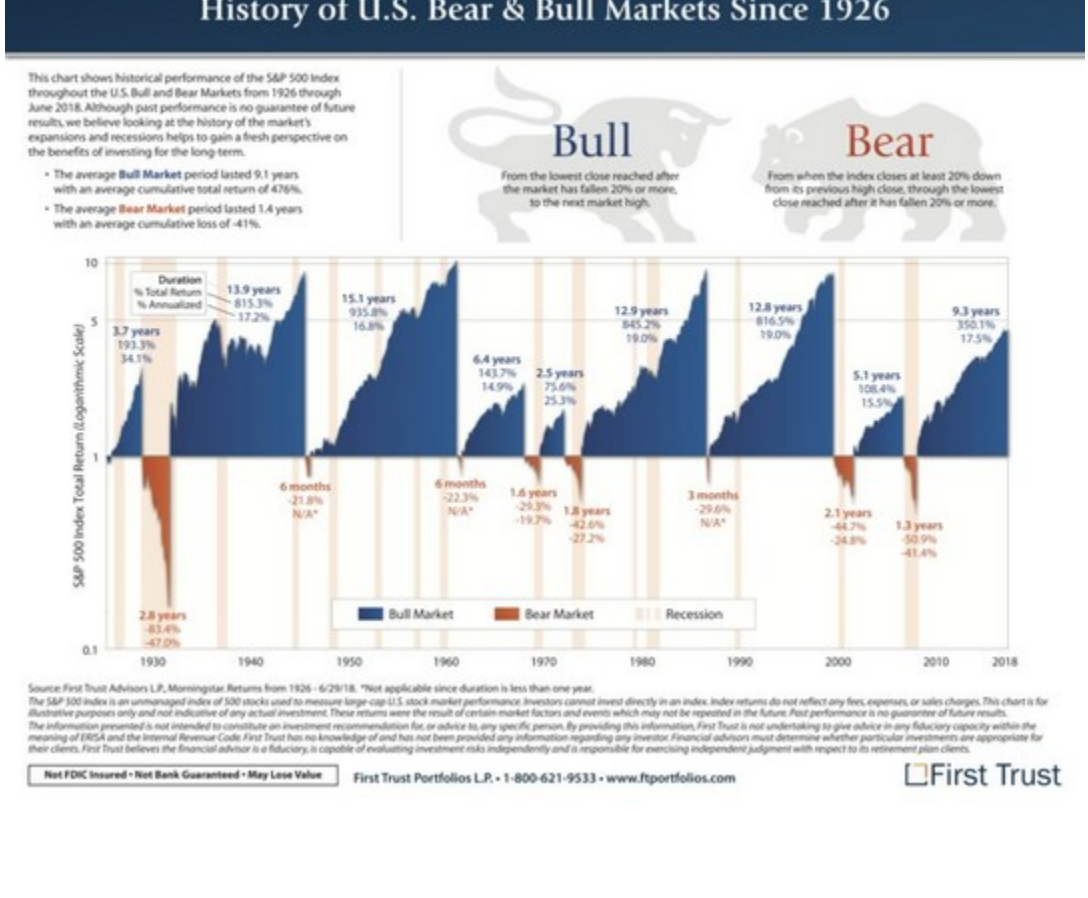
Buying vs. Leasing a Car

Video: 3 Things to Consider Before Driving Away

**New Bull Market or Fear-of-Missing-Out (FOMO)?** – Despite the seemingly massive wall-of-worry in the US economy, there is no denying that the S&P 500 has entered a bull market after climbing +20% from its 2022 Oct&P low. Furthermore, only a handful of mega-cap stocks have been the source of the market rally. For example, the traditional market-cap weighted S&P 500 index is up 13.6% year-to-date, but the equal-weighted S&P 500 is up just 4.1% YTD.

A big source of the current market rally has been driven by exuberance in artificial intelligence. Mega cap technology stocks with any exposure to AI have seen tremendous rallies including the likes of Microsoft, Alphabet and NVIDIA. So there has also been a massive fear-of-missing-out component to the rally although to be fair, FOMO is a basic behavioral finance component of any bull market, which can lead to over-shooting on the upside in bull markets.

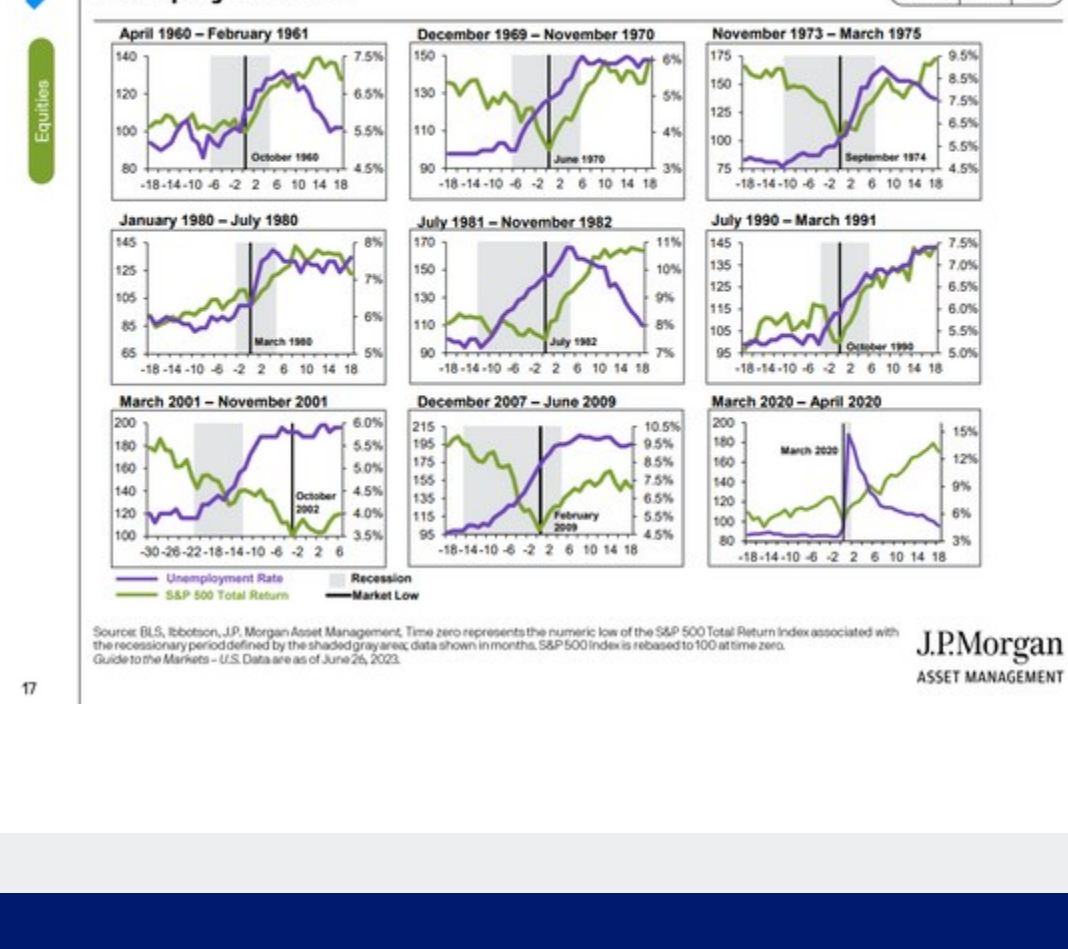
**Bull vs Bear Chart (see below)** – In the current bull market we'll ideally see the laggards start to outperform and give this new bull market fresh legs going forward. Historically, S&P 500 bull markets have lasted about 3.5x as long as bear markets. Since 1926 the average bear market (red line) lasted an average of 1.4 years, while the average bull has lasted 9.1 years (blue line). The average cumulative loss of the bear markets has been -41% while the average bull return has been 476%.



### Bull Market but what about that Recession?

There has been no historical precedent for how a modernized economy will perform during and immediately after a major Pandemic. A lot of traditional recession warning indicators haven't worked like they did pre-2020 and so even the brightest minds on Wall Street or at the Federal Reserve have been wrong in their market and economic forecasts. Today, the never-ending impending recession timeline has been pushed further out than most expected when we began the year as the job market continues to remain red hot.

**Chart below** - Can the market bottom before the start of a recession? Not based on history, no. But again, we've never endured a pandemic of this proportion in our modernized economy. The below slide shows the last 9 recessions since 1960. If you ignore the colored lines for a moment and focus just on the vertical black lines in the middle of each chart that indicate market bottoms and focus on the light grey shaded area marking the start and end of each recession, you are left with the following observation: the stock market has never bottomed before the start of a recession based on these 9 recessions. So, are things different this time? It sure feels like it....



## MARKET SUPPORT



The next level of resistance to watch for the S&P 500 on the upside is at 4,590.

The next levels of support to watch for the S&P 500 on the downside are at around 4,300 and 4,200.

These are key technical levels we look for the market to either hold or push through when look at the potential for future moves. Common 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

The following economic data is slated to be released this week:

**Monday:** --

**Tuesday:** Consumer Confidence (Jun.), Durable Goods (May), S&P Case-Shiller Home Price Index (Apr.), New Home Sales (May)

**Wednesday:** --

**Thursday:** Weekly Initial Jobless Claims, GDP (Q1, 3<sup>RD</sup> reading), Pending Home Sales (May)

**Friday:** PCE Inflation Report (May), Consumer Spending and Personal Income (May), Univ. of Mich. Consumer Sentiment index (June prelim.)

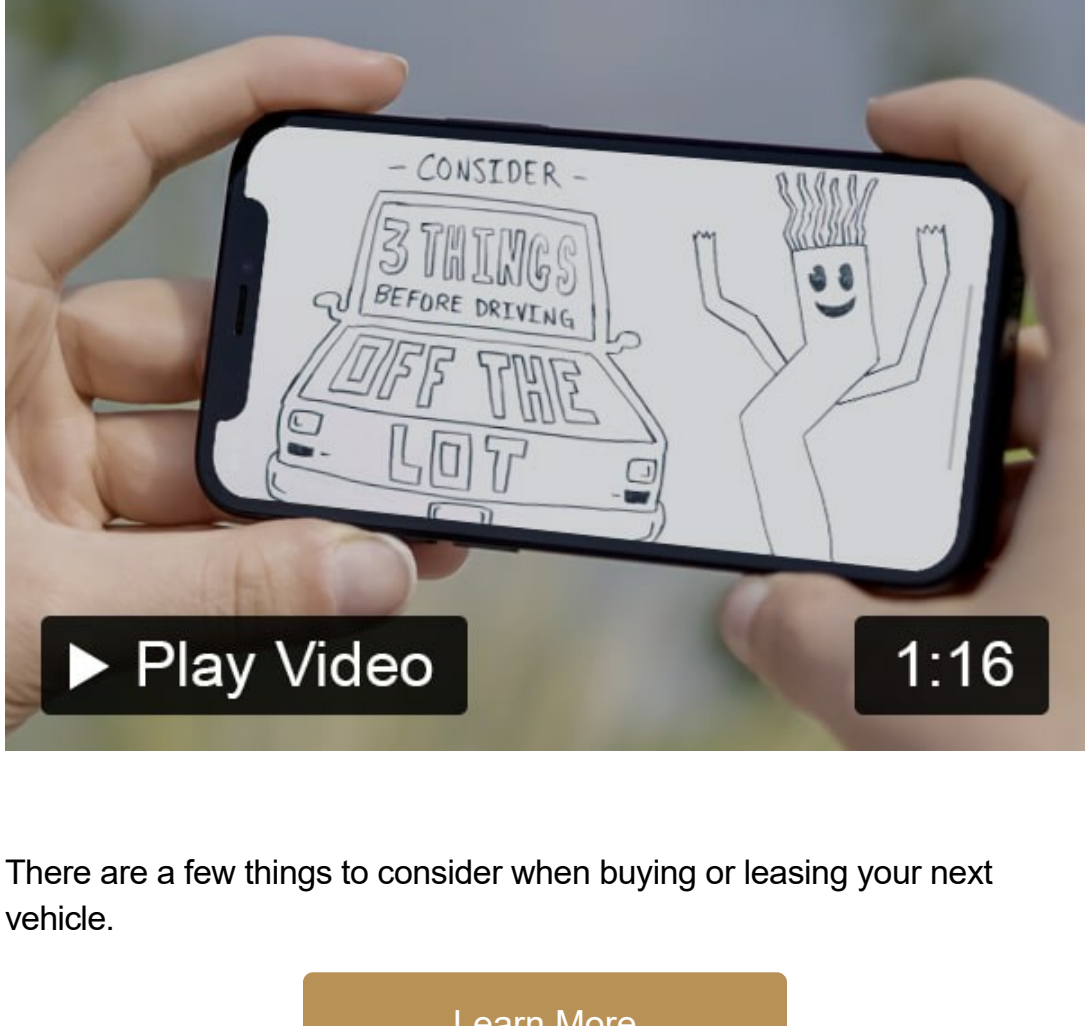
## Buying vs. Leasing a Car



Whatever your relationship with your car, it may eventually come time for a new one. Familiarize yourself with your options.

[Learn More](#)

## Consider These 3 Things Before Driving Off the Lot

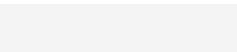


There are a few things to consider when buying or leasing your next vehicle.

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