

## Market Watch

Market Index	Close	Week	Y-T-D
DJIA	34,500.66	-2.21%	+4.08%
NASDAQ	13,290.78	-2.59%	+26.98%
MSCI-EAFE	2,068.98	-2.83%	+6.43%
S&P 500	4,369.71	-2.11%	+13.81%

## Today's Topics

- Market Outlook
- Key Market Levels
- What We Are Watching
- Retire Wild + Bucket List Video

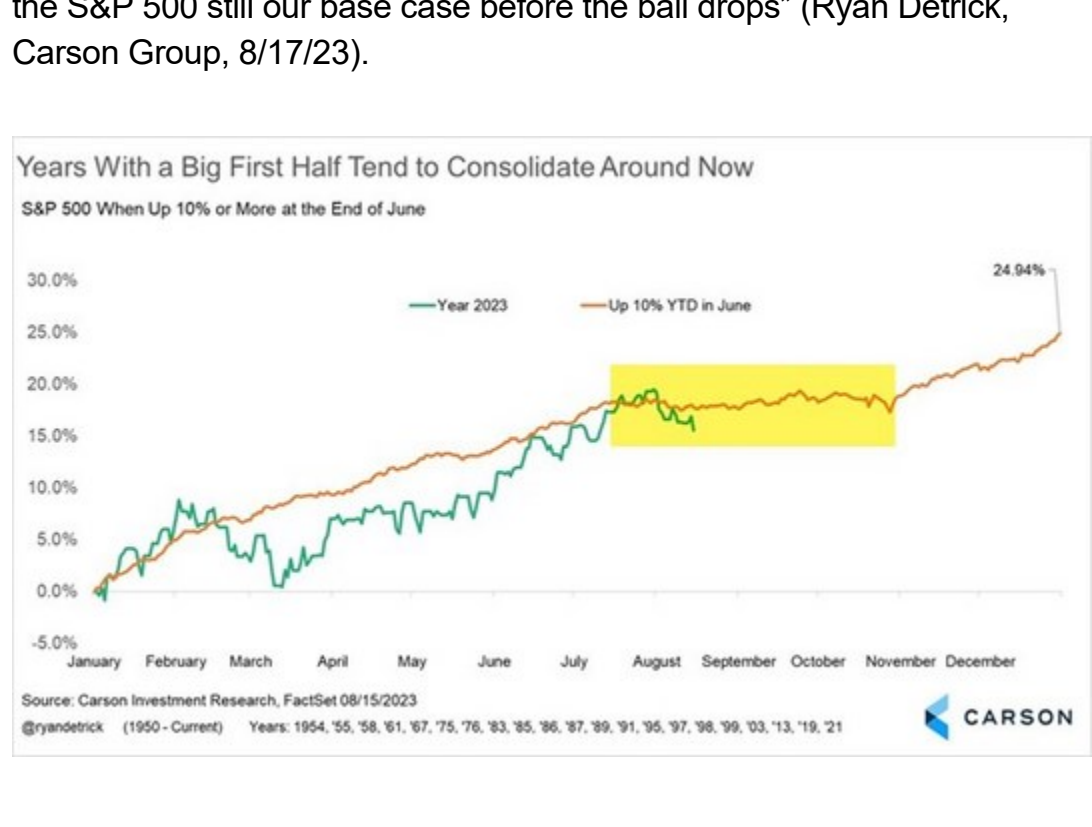
### Market Outlook

**Stocks Continue August Consolidation** – The major equity averages fell about -2% across the board last week on China economic worries and renewed worries over higher bond yields. As of last Friday, the S&P has now pulled back about -5% in August although its year-to-date performance is still up a solid +14%.

**Seasonality S&P Chart in Strong Years** – The below chart looks at this year's S&P return (in green) compared to an average of all other years when the index was up +10% year-to-date through June 30<sup>th</sup> (in orange).

As you can see, it's common for the index to pause in the late summer months of solid years like we are witnessing this year.

"The good news is once you could get past that, the rest of the year tended to be strong with new highs happening later in the year. This is how we see 2023 potentially playing out as well, with potential new highs in the S&P 500 still our base case before the ball drops" (Ryan Detrick, Carson Group, 8/17/23).



**Volume light this week** – As investors sneak in last minute summer trips before school starts, market volume is light this week. One event we'll be watching later in the week though is Federal Reserve chair Jerome Powell's speech Friday morning at the Jackson Hole Economic Policy Symposium. Investors will scrutinize Powell's speech for indications on the Fed's next interest rate moves. The market is coming off three consecutive down weeks, in part reflecting growing concern that the Fed may continue tightening in response to yet again stronger economic data.

**Last week's July retail sales report jumped +0.7%**, the fourth-consecutive month of increasing consumer spending and more evidence we'll avoid a recession. On the flip side though, the strong spending data and strong labor market may have placed the Fed in a more difficult position in trying to bring inflation down to its target rate without more rate hikes. The next Fed meeting on September 20<sup>th</sup> isn't for another 29 days so the market is looking for its next catalyst here after earnings season has wrapped up.

**S&P Earnings Cycle Pullback Bottoming** - Q2 earnings season is now mostly in the books and overall, it came in better than expected. As a whole, the index's earnings decline came in at a modest -3% compared to an expected -6% drop just a few weeks ago. If you take out the Energy sector all together, the index actually posted a couple percent gain on the quarter. Recall heading into the year, top Wall Street strategists were expecting a more severe earnings recession in 2023 but we clearly avoided this scenario, which has been one of the main reasons the market has done so much better than expected this year.

## Market Support



The next level of resistance to watch for the S&P 500 on the upside is at 4,600.

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:** Existing Home Sales (Jul.)
- Wednesday:** New Home Sales (Jul.)
- Thursday:** Weekly Initial Jobless Claims, Durable Goods Orders (Jul.)
- Friday:** Powell gives opening speech at Jackson Hole summit

## Retiring Wild: National Parks and You



Get ready to enjoy America's national park system with this helpful article.

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## A New Way to Look at Your Bucket List



Bucket lists don't have to be for tomorrow.

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