Weekly Market Update

February 13 2023

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"The price of success is hard work, dedication to the job at hand, and the determination that whether we win or lose, we have applied the best of ourselves to the task at hand."

~ Vince Lombardi

Market Watch

Week Ending Feb. 10, 2023

(Source: Briefing.com)

• DJIA: *2023 YTD 2.20%*	33,869.20	-56.80
• NASDAQ: *2023 YTD 12.00%*	11,718.10	-288.80
• S&P 500: *2023 YTD 6.50%*	4,090.46	-46.02
• Russell 2000: *2023 YTD 8.90%*	1,918.813	-66.72
• 10 Year Treasury:	3.74%	

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Dave's Weekly Commentary

Good morning! I hope you had a great week last week as last week's weather was quite nice for the second week of February. Yesterday I went to the office for a few hours to work on some projects and, as always, a few hours turns into a few more. I was out of the office last week, and as most of you know, we consciously are taking more time off "bucket listing" the first few months of the year. Ohio, in my opinion, is quite pleasant from May until late October. With the age of technology and communications, I am never out of range for an email or phone call.

Let's talk about last week's markets. The stock market lost some ground last week and it seemed as if there was a sense that the market was due for a period of consolidation on the back of rate-hike and valuation concerns. Coming off last Friday's much stronger than expected January employment report, there seemingly was not a great deal of conviction on the sell side or the buy side this past week. Ultimately, the major indices all registered losses, which had the S&P 500 settle Friday's session below the 4,100 level. Day by Day Highlights:

Monday Market participants were hesitant in front of Fed Chair Powell's "Conversation with David Rubenstein" at the Economic Club of Washington, D.C. on Tuesday and there was also some increased geopolitical tension after the U.S. shot down China's suspected spy balloon off the South Carolina coast last Saturday. The indices started the session in a southerly direction, and while they rebounded from their early lows that saw the S&P 500 slip below 4,100, they could never sustain any upward momentum.

Tuesday the stock market kicked off Tuesday's session on a mixed note. The main indices oscillated around their flat lines in the first half of the day as investors awaited Fed Chair Powell's "Conversation with David Rubenstein" at the Economic Club of Washington, D.C. at 12:40 p.m. ET. Mr. Powell didn't say anything too surprising, but the market responded with some volatile price action, nonetheless. The main indices initially rose higher, a move that was attributed to Mr. Powell's relatively calm demeanor, but gave way to selling pressure, though, after Mr. Powell said that the Fed will react to the incoming data and will do more rate hikes if the data suggest that is necessary. The reversal in the major indices saw the S&P 500 breach support at the 4,100 level, where buyers stepped in (again) and a technical rebound effort took root, supported by short-covering activity.

Wednesday Equities spent Wednesday's session in retreat mode largely due to concerns that the market got overextended and was due for some consolidation. Selling efforts were broad based but generally modest in scope from a sector and index standpoint. A notable exception was Alphabet aka Google which lost 7.4% on Wednesday. Investors in GOOG were concerned the company may behind in the AI space.

Thursday the stock market started Thursday's session with a distinct bullish bias, yet the bulls were soon corralled, and the major indices spent nearly the entire session retracing their opening steps in what became a trend-down day. The selling that took place was broad based, but orderly; nonetheless, it left the S&P 500 below 4,100 at the closing bell. Falling Treasury yields, and another weekly initial jobless claims report that was supportive of the soft-landing scenario provided the fuel for the opening bid.

Friday's trading was decidedly lackluster ahead of key data releases next week, including the Consumer Price Index, Retail Sales, Industrial Production, Housing Starts, and Producer Price Index reports all from January. There was a lack of conviction from both buyers and sellers, which left the S&P 500 and Dow with modest gains while the Nasdaq logged a modest loss. Lagging mega cap stocks kept pressure on index level performance. Oil prices reclaimed some lost ground on Friday, which also pressured the equity market, in response to Russia saying it is going to cut production by 500,000 barrels per day in March in response to international sanctions. February Univ. of Michigan Consumer Sentiment - Prelim 66.4 (Briefing.com consensus 65.0); Prior 64.9. The key takeaway from the report is the understanding that the year-ahead inflation expectation increased versus January, raising concerns, along with angst over rising unemployment, about consumers' future discretionary spending capacity. The Treasury Budget for January showed a deficit of $38.8 bln versus a surplus of $118.7 bln a year ago. The Treasury Budget data is not seasonally adjusted, so the January deficit cannot be compared to the deficit of $85.0 bln for December.

In closing, only one of the 11 S&P 500 sectors logged a gain this week -- energy (+5.0%) -- while the communication services sector (-6.6%) registered the largest decline by a wide margin. The 2-yr Treasury note yield rose 22 basis points this week to 4.51% and the 10-yr note yield rose 21 basis points to 3.74%. Source: Briefing.com

That about sums it up for this week. Have a good week, Dave

Newsletter continues on the next page.

Mailing Dates for 1099s

Form 1099 will be mailed for accounts holding mutual funds, certain unit investment trusts (UITs), real estate investment trusts (REITs) and certain equities, because the issuer provided their final tax information after the January 31 mailing is prepared.[1]

Pending 1099 Notices will be mailed for accounts where we are awaiting data from issuers or in cases where we have not completed processing and review of all information. The notice will list investments that are awaiting information from issuers or trustees or final review and will indicate the possible mail date of an investor's 1099. This notice, which will be available in e-Document Suite, will be mailed when issuers of reportable income cannot provide final tax information before the February 15 mailing is prepared. This letter will identify the income impacting the mail date. If clients received their Form 1099, they will not be sent this notice.

Revision mailing for Form 1099s sent in Phase One, as required.

February 28, 2023[2] Form 1099 mailing will occur for accounts for which we can now include information that was previously pending income re-classifications from issuers of mutual funds, REITs, and certain equities, because the issuer or trustee has provided Pershing with final tax information.

Generally, this includes remaining mutual funds, REITs, and certain equities.

Revision mailing for Form 1099s sent in phases one and two, as required.

March 15, 2023[2] Form 1099 mailing will occur for all remaining accounts, regardless of whether pending income reclassifications for the account's income have been received from issuers.

Generally, this includes accounts holding comp lex securities, such as real estate mortgage investment conduits (REMICs), widely held fixed investment trusts (WHFITs) and some UITs.

Revision mailing for Form 1099s sent in all previous phases, as required.

[1]Holding only these types of securities does not guarantee that your clients' tax statements will be mailed on the indicated date.

[2]Pershing's 30-day extension to the mailing requirement will accommodate these phases of the mailing. If any date falls on a Saturday, Sunday or legal holiday, the return is considered timely if filed or furnished on the next available business day.

Planning Points *Source: Broadridge Advisor Solutions. Copyright 2023.*

Determining the Need for Long-Term Care Insurance (LTCI): How Much Is Enough?

Introduction *Whether you should purchase a long-term care insurance (LTCI) policy depends on your financial ability, age, health status, retirement objectives, and whether you have assets you want to protect. Once you've made the decision to buy, you'll need to decide how much coverage is enough. Insurance protects against an event that may (or may not) occur in the future. Buying sufficient protection is important, but the insurance must also be affordable for you. When considering the purchase of LTCI, you'll need to pay particular attention to the benefit amount and to the benefit period.*

The daily benefit amount

Most LTCI policies will let you select the amount of your coverage, typically running anywhere from $40 to $150 or more per day. Benefit amounts are usually offered in $10 increments, although a few companies only offer a fixed amount (e.g., $50 per day). The cost of nursing home care varies tremendously within a community and from one metropolitan area to another. Therefore, it's important for you to research the cost of nursing homes in your area. Moreover, you should consider whether you plan to remain in your present state or whether you plan on moving to another state at some point in the future, for example, to live closer to your children.

Local variations in long-term care costs make it difficult to recommend one specific dollar amount appropriate for all persons. In general, however, you should buy enough insurance to cover 50 to 100 percent of nursing home costs in your community of choice. Fifty percent of current nursing home cost is appropriate for persons of means who expect to use some income to pay for care. If you will be unable (or unwilling) to supplement the cost of care in the future with your own income, you should buy closer to 100 percent of nursing home costs. Be aware that policies usually differentiate between the benefit amount per day for institutional or facility care and the amount per day for home care. The daily benefit of the policy usually refers to the amount to be paid for nursing home care. Some policies offer less than the daily benefit (usually one-half) for home care. However, certain policies now offer an optional rider for home care to be covered at 80 percent or 100 percent instead of at the base contract amount of (typically) 50 percent.

Inflation rider

It may be a wise idea to purchase an optional inflation rider to your policy. Although the average daily cost of nursing homes in your locale may be $200 today, it could significantly rise five years from now. And the younger you are when you buy an LTCI policy, the more important inflation protection is. An inflation rider can be very expensive, sometimes increasing the cost of a policy by as much as 40 percent.

The length of the benefit period

When purchasing LTCI, you'll be asked to select a benefit period. Benefit periods generally range from one to six years, with some policies offering a lifetime benefit. You'll want to choose the longest benefit period you can afford. If you can't afford a lifetime benefit, consider choosing a benefit period that coordinates with the look-back period for Medicaid (five years). For more information about Medicaid, see Medicaid.

Tip: *The Deficit Reduction Act of 2005 gave all states the option of enacting long-term care partnership programs that combine private LTCI with Medicaid coverage. Partnership programs enable individuals to pay for long-term care and preserve some of their wealth. Although state programs vary, individuals who purchase partnership-approved LTCI policies, then exhaust policy benefits on long-term care services, will generally qualify for Medicaid without having to first spend down all or part of their assets (assuming they meet income and other eligibility requirements). Although partnership programs are currently available in just a few states, it's likely that many more states will offer them in the future.*