

MARKET WATCH UPDATE

Market Index	Close	Week	Y-T-D
DJIA	33,706.74	-0.16%	-7.24%
NASDAQ	12,705.21	-2.62%	-18.79%
MSCI-EAFE	1,946.51	-0.88%	-16.68%
S&P 500	4,228.48	-1.21%	-11.28%

TODAY'S TOPICS

- Market Update
- *New* Test Your Knowledge Trivia Question!
- Key Market Levels
- What we are Watching

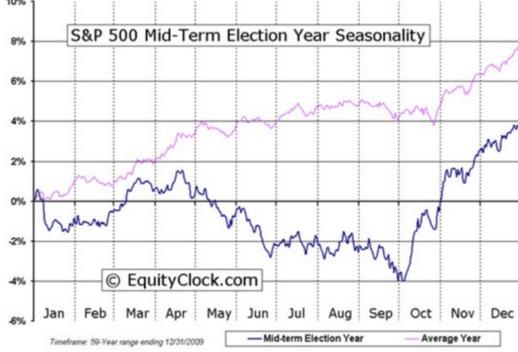
MARKET UPDATE

Equities markets are taking a breather after posting 4-straight weekly gains, the longest such streak since November of 2021. While the S&P 500 is still down about -11% year-to-date, the index had climbed about +18% since the June low. From a chart/technical perspective, the index was due for some consolidation after the quick relief rally.

In addition to taking a pause after near-term strength, **August and September are seasonally the weakest months of the year for the S&P** especially during Midterm election cycle years like we're currently in (See Chart Below). The rationale being a lack of catalysts that includes the lull after the July reporting season of Q2 earnings reports, coupled with the usual pickup in the nasty Midterm election ads that gives investors some anxiety.

On the bright side, the months of **November and December are seasonally the strongest months of the year for the S&P on average** as we move into the holiday season along with having the Midterms behind us.

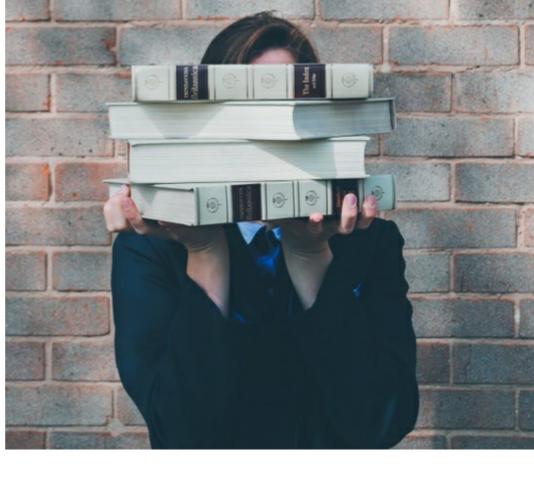
Also on the bright side, **August is the best performing month for bonds on average.**



Turning to the week ahead, investors will be closely monitoring comments coming out of the Fed's annual economic symposium in Jackson Hole. Fed Chair Powell will give his speech this Friday where investors will be looking for clues on the outlook for further rate hikes especially for the September 21/22 FOMC meeting.

In addition, investors will be eyeing **inflation data set to release Friday morning (8/26/22)** in the July PCE index report.

NEW TEST YOUR KNOWLEDGE



Each week we will test your Money Smarts! Can you answer the two trivia questions below?....

The answers are listed at the end of the newsletter... *no peeking!*

1. Where does The Dow Jones Industrial Average get its name?

- Dow Leather and Jones Tobacco Company, earliest stocks offered to investors.
- Publisher Charles Henry Dow and statistician Edward Jones.
- Emerson Dow and Horatio Jones, who donated land to build the New York Stock Exchange.
- Railroad maven Dowetta Jones, the mother of Casey Jones.

If you purchase a bond and interest rates rise, what will happen to the price of the bond?

- Rise
- Stay the same
- Fall

WHAT WE ARE WATCHING



The following economic data is slated to be released during the week ahead:

Monday: ---

Tuesday: New home sales (July)

Wednesday: Durable goods orders (July), Pending home sales index (July)

Thursday: Initial Jobless Claims, Q2 GDP (2nd look)

Friday: PCE price index (July), Personal Income (July), Personal Spending (July), Univ. of Michigan Sentiment Index (Aug.)

MARKET SUPPORT



The key level of resistance to watch for the S&P 500 is at around **4,328**.

Recall 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.

Trivia Answers

1. Answer is B

In November 1882, Charles Henry Dow and Edward Jones started their own financial reporting firm (Dow, Jones & Co.) in the basement of a candy store, publishing a two-page summary of the day's financial news called the "Customers' Afternoon Letter."

2. Answer is C

Bond prices and interest rates have an inverse relationship, so when interest rates rise, bond prices drop and vice versa.

[Check Out Our Upcoming Events!](#)

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