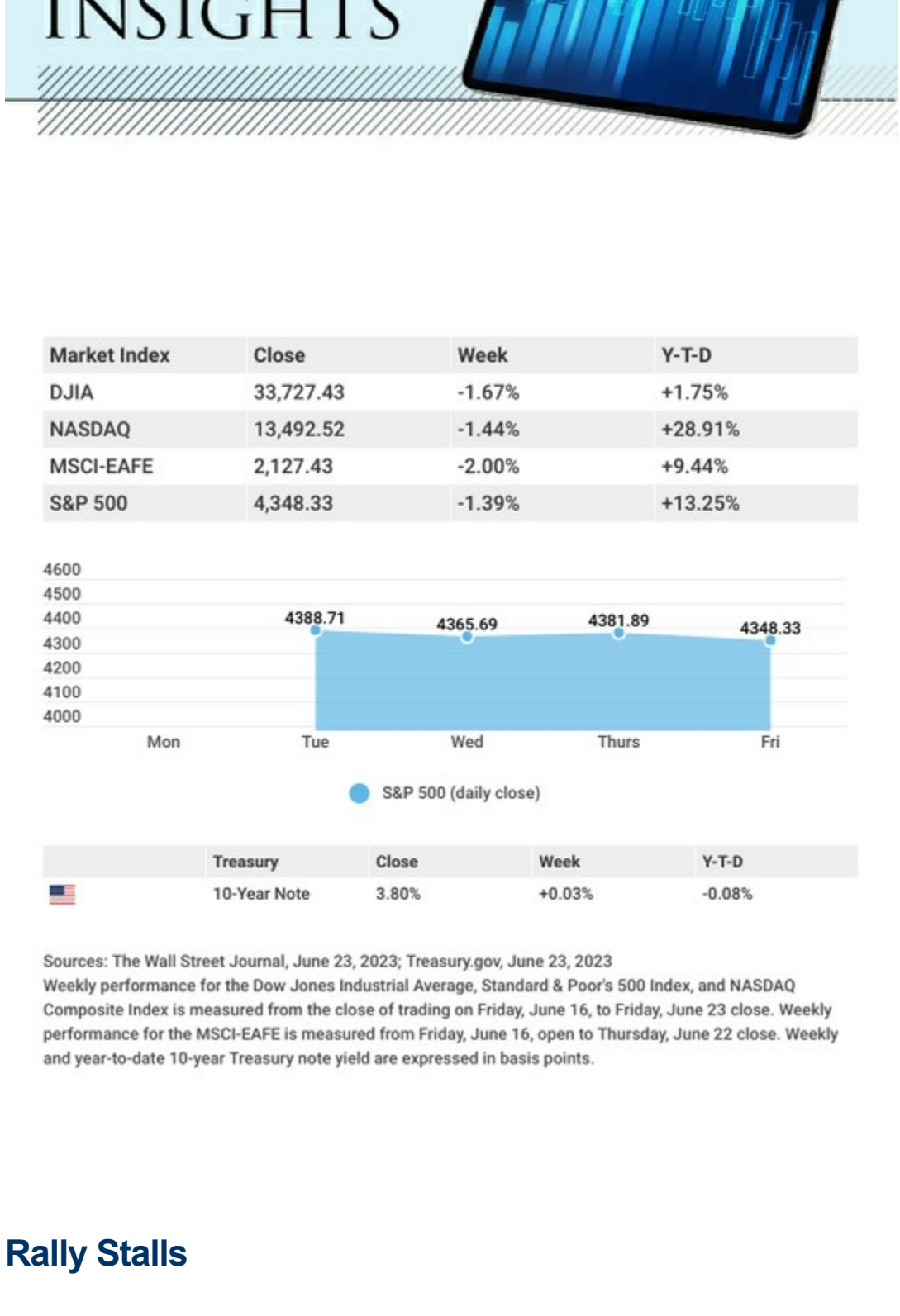


Weekly Market Insights

June 26, 2023

Stocks took a breather last week as investors digested the previous week's surge and the month-to-date solid gains.

The Dow Jones Industrial Average lost 1.67%, while the Standard & Poor's 500 fell 1.39%. The Nasdaq Composite index dropped 1.44% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, tumbled 2.00%.^{1,2,3}



Sources: The Wall Street Journal, June 23, 2023; Treasury.gov, June 23, 2023
Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite index is measured from the close of trading on Friday, June 16, to Friday, June 23 close. Weekly performance for the MSCI-EAFE is measured from Friday, June 16, open to Thursday, June 22 close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Rally Stalls

The stock market drifted lower last week as the tug-of-war between bulls and bears played out in a week that was light on market-moving news.

After falling in the first days of a holiday-shortened trading week, stocks rebounded on Thursday to recover some of the week's losses. Stocks looked past Congressional testimony by Fed Chair Powell, who said two more rate hikes are likely in the wake of interest rate hikes by central bankers in the U.K., Switzerland, Norway, and Turkey.

The retreat continued into Friday, fueled by global growth fears from new economic data indicating more robust economic slowdowns in the eurozone, Japan, and Australia.

Housing Sentiment Improves

Home builders' confidence edged into positive territory for the first time in 11 months, aided by strong demand, low inventory, and a recovering supply chain. May's new home sales, which rose 21.7%—the most significant percentage gain since October 2016, validated this confidence. The number of new home starts in May (1.63 million) hit a 13-month high, with both single- and multi-family homes up substantially.^{4,5}

Sales of existing homes in May rose 0.2% month-over-month while declining 20.4% from a year ago. The existing home market continues to suffer from low inventory and still-high prices. The median price of a home sold in May declined 3.1% year-over-year to \$396,100.⁶

This Week: Key Economic Data

Tuesday: Durable Goods Orders. New Home Sales.

Thursday: Gross Domestic Product (GDP). Jobless Claims.

Friday: Personal Income and Outlays. Consumer Sentiment.

Source: Econoday, June 23, 2023
The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

This Week: Companies Reporting Earnings

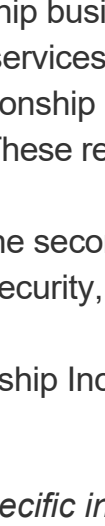
Tuesday: Walgreens Boots Alliance, Inc. (WBA).

Wednesday: Micron Technology, Inc. (MU), General Mills, Inc. (GIS).

Thursday: Nike, Inc. (NKE), McCormick & Company, Inc. (MKC)

Source: Zacks, June 23, 2023
Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.


FOOD FOR THOUGHT



"There is no better compass than compassion."

— Amanda Gorman

TAX TIP



Couples Who Work Together, Tax Together

When a household starts a business, couples find themselves learning about the tax responsibilities related to that business. There are some things to consider when working together.

Here are a few items to consider:

- You should first establish if you have a partnership business (where both spouses have an equal say in the affairs, services, and capital of the business) or an employee/employer relationship (one spouse substantially controls management decisions). These relationships face different tax situations.
- If there is an employee/employer relationship, the second spouse (employee) may be subject to income, Social Security, and Medicare
- You may need to file the U.S. Return of Partnership Income form if there is a partnership relationship.

**This information is not intended to substitute for specific individualized tax advice. We suggest you discuss your specific tax issues with a qualified tax professional.*

Tip adapted from IRS.gov⁷

HEALTHY LIVING TIP



WEEKLY RIDDLE



You hold 3 U.S. coins in your hand. None of them are dimes, pennies, or quarters. They total 60¢. What 3 coins do you have in hand?

Last week's riddle: A major league pitcher faces just 27 hitters in a baseball game. He retires all of them, allowing no runs and no hits. Still, his team loses the game 4-0. How is this possible? Answer: He was a relief pitcher.

PHOTO OF THE WEEK





Lake Tekapo & Lupin Field, New Zealand

Footnotes and Sources

1. The Wall Street Journal, June 23, 2023.
2. The Wall Street Journal, June 23, 2023.
3. The Wall Street Journal, June 23, 2023.
4. National Association of Home Builders, June 19, 2023
5. Reuters, June 20, 2023.
6. CNBC, June 22, 2023.
7. IRS.gov, February 22, 2023
8. EatThis.com, February 15, 2023

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The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

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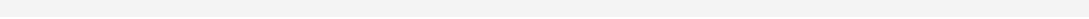
Please consult your financial professional for additional information.

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