



Weekly Market Update

December 20, 2022

In this week's recap: Recession concerns, Fed talk keep stocks cold.

In This Issue

Weekly Quote
Weekly Tip
Weekly Riddle
Holiday Charity
Winter Solstice

Weekly Quote

*"Love is the master key
that opens the gates
of happiness."*

~OLIVER WENDELL
HOLMES

The Week On Wall Street

Hawkish comments by the Fed and weak economic data heightened investors' recession concerns and sent stocks lower last week.

The Dow Jones Industrial Average lost 1.66%, while the Standard & Poor's 500 retreated 2.08%. The Nasdaq Composite index declined 2.72% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, slipped 0.88%.^{1,2,3}

Stocks Under Pressure

Stocks began the week on a positive note, supported by a cooler-than-expected

Weekly Tip

Avoid visiting ATMs alone at night, and never count your money at one. If an outside ATM seems lonely, try a well-lit ATM in a 24-hour grocery or drug store instead.

Weekly Riddle

Name the three English-language three-letter words that begin and end with the letter E.

LAST WEEK'S RIDDLE: What item binds two people yet touches only one?

ANSWER: A wedding ring.

Consumer Price Index (CPI) report. Stocks reversed direction mid-week, however, following the Federal Open Market Committee (FOMC) meeting in which another 0.5% rate hike was announced.

The half-point increase was widely anticipated, but the increase in the terminal rate (i.e., the point at which the Fed stops raising rates) rattled investors. Continued hawkishness by Fed Chair Powell at the post-meeting press conference added to investors' anxiety. The potential for higher rates for longer, along with disappointing economic data, particularly a sharp decline in retail sales, amplified fears of a recession and sent stocks lower for the remainder of the week.

Inflation And The FED

The release of November's CPI showed inflation cooling for the second consecutive month, as prices rose just 0.1% month-over-month and 7.1% from a year ago. Both were better than expected.⁴

The FOMC ended its last meeting of 2022 by raising interest rates another 0.5% and signaling that it would likely continue to hike rates into the new year. At a subsequent press conference, Fed Chair Powell commented that the next rate increase could be a quarter-percentage point.

Most FOMC members appear to support raising the terminal rate (the point at which hikes end) to above 5%, up from its September projection of 4.6%.⁵

The Week Ahead: Key Economic Data

Tuesday: Housing Starts.

Wednesday: Consumer Confidence. Existing Home Sales.

Thursday: Jobless Claims. Gross Domestic Product (GDP). Index of Leading Economic

Indicators.

Friday: New Home Sales. Durable Goods Orders. Consumer Sentiment.

Source: Econoday, December 16, 2022

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.

The Week Ahead: Companies Reporting Earnings

Tuesday: FedEx Corporation (FDX), Nike, Inc. (NKE), General Mills, Inc. (GIS).

Wednesday: Micron Technology, Inc. (MU).

Source: Zacks, December 16, 2022

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Market Index	Close	Week	Y-T-D
DJIA	32,920.46	-1.66%	-9.41%
NASDAQ	10,705.41	-2.72%	-31.57%
MSCI-EAFE	1,961.54	-0.88%	-16.03%
S&P 500	3,852.36	-2.08%	-19.17%



	Treasury	Close	Week	Y-T-D
	10-Year Note	3.48%	-0.09%	+1.96%

Sources: The Wall Street Journal, December 16, 2022; Treasury.gov, December 16, 2022
 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, December 9, to Friday, December 16, close. Weekly performance for the MSCI-EAFE is measured from Friday, December 9, open to Thursday, December 15, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

7 Ways You Can Give Back This Holiday Season



Between your holiday parties, family obligations, and the pressure of finding

the perfect gift, this time of year can go by in a flash. But during the holiday season, we are often reminded that it's important to give back.

Below are seven easy ways to do just that by helping our neighbors facing hunger.

[Learn More Here](#)

History Of The Winter Solstice



The winter solstice is the shortest day and longest night of the year. In the Northern Hemisphere, it takes place between December 20 and 23, depending on the year. (The reverse is true in the Southern Hemisphere, where the shortest day of the year occurs in June.)

Cultures around the world have long held feasts and celebrated holidays around the winter solstice. Fire and light are traditional symbols of

celebrations held on the darkest day of the year. This historical day has a long and interesting history that is worth exploring!

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1. The Wall Street Journal, December 16, 2022
2. The Wall Street Journal, December 16, 2022
3. The Wall Street Journal, December 16, 2022
4. CNBC, December 13, 2022
5. The Wall Street Journal, December 14, 2022

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