

Wealth Strategies Group, LLC

Clarity is missing when it comes to economic data. We are seeing some signs the Fed's actions are taking hold as inflation, while still too high, appears to be slowing but investors are struggling to determine where the future lies. The markets swung wildly in a shortened week before settling with a loss, the S&P 500 dropped 1.2% (down 13.8% YTD)¹. Cleveland Fed President Loretta Mester spoke out about the need for multiple half point

rate hikes to tame inflation². On Friday, the May jobs report came in with a better than expected 390,000 new jobs, yet the markets reacted negatively to the report, the gains of the week³. CPI numbers for May come this Friday prior to the Fed meeting next week⁴. It will be interesting to see if May's numbers continue to dip as April did.

I hope you had a pleasant and relaxing Memorial Weekend last week. It's important to spend time with family and relax but also to remember the reason for the holiday. We live in a great country (although not without its flaws) with a tremendous amount of freedoms. I hate to sound trite but there is much truth to the line "Freedom isn't Free". Remembering those who made the ultimate sacrifice for our benefit is the least we can do.

---Chuck

This Week's Inspiration/Activity:

***I not only use all the brains that I have, but all that I can borrow.
Woodrow Wilson (1856 - 1924)***

Your action for this week is to think about a goal you have this is stagnant and ask someone for help or advice in moving toward it's success.

This Week in History:

June 6, 1933 -- Eager motorists park their automobiles on the grounds of Camden Drive-In, the first-ever drive-in movie theater, located on Admiral Wilson Boulevard in Pennsauken, New Jersey⁵.

¹ See update below

² <https://www.cnbc.com/2022/06/03/feds-mester-says-inflation-hasnt-peaked-and-multiple-half-point-rate-hikes-are-needed.html>

³ <https://www.cnbc.com/2022/06/03/jobs-report-may-2022-.html>

⁴ <https://www.reuters.com/markets/us/futures-rebound-china-adrs-rally-tech-growth-stocks-rise-2022-06-06/>

⁵ <https://www.history.com/this-day-in-history/first-drive-in-movie-theater-opens>

In this week's recap: Stocks slip on mixed economic news.

Weekly Economic Update

Presented by Charles D. Vercellone, ChFC®, AIF®, June 6, 2022

THE WEEK ON WALL STREET

In a holiday-shortened week of volatile trading, stocks surrendered some of the previous week's strong gains.

The Dow Jones Industrial Average fell 0.94%, while the Standard & Poor's 500 declined 1.20%. The Nasdaq Composite index lost 0.98% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, slipped 0.17%.^{1,2,3}

AN UNCERTAIN MARKET

Stocks experienced wild swings last week, in part, due to ongoing uncertainty over economic health and the path of inflation. Investors seemed conflicted when interpreting the data, in some instances viewing economic strength as a negative since it may mean more aggressive rate hikes from the Fed.

Illustrative of how this uncertainty has played out, stocks surged higher on Thursday despite comments from Fed Vice Chair Lael Brainard indicating it's unlikely that the Fed will pause on rate hikes. Then on Friday, stocks dropped as a better-than-expected jobs report raised concerns about monetary policy.

STRONG JOB GROWTH

The U.S economy added 390,000 jobs in May, a slowdown from recent months but higher than consensus estimates. Job gains registered in several categories, led by leisure and hospitality, professional and business services, and warehousing and transportation. The retail sector lost jobs.⁴

The unemployment rate remained unchanged at 3.6%. Wage growth cooled off, with a 12-month increase of 5.2%, down from April's year-over-year jump of 5.5%. Finally, the labor participation rate ticked higher again, reflecting how job availability is helping to pull Americans off the labor-market sidelines.⁵

TIP OF THE WEEK



If you want to improve your credit score, an inactive credit card will not help (and it may even hurt). The key factors in credit score determination are recent activity and recent payment history.

THE WEEK AHEAD: KEY ECONOMIC DATA

Thursday: Jobless Claims.

Friday: Consumer Price Index (CPI). Consumer Sentiment.

Source: Econoday, June 3, 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

Monday: Coupa Software, Inc. (COUP).

Wednesday: Campbell Soup Company (CPB).

Thursday: DocuSign (DOCU).

Source: Zacks, June 3, 2022

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.

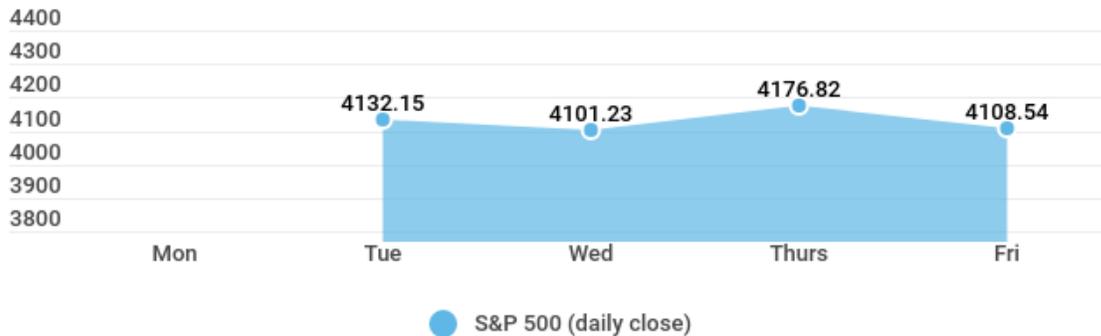
QUOTE OF THE WEEK



"I can accept failure. Everyone fails at something. But I can't accept not trying. Talent wins games, but teamwork and intelligence wins championships."

MICHAEL JORDAN

Market Index	Close	Week	Y-T-D
DJIA	32,899.70	-0.94%	-9.46%
NASDAQ	12,012.73	-0.98%	-23.22%
MSCI-EAFE	2,032.45	-0.17%	-13.00%
S&P 500	4,108.54	-1.20%	-13.80%



Treasury	Close	Week	Y-T-D
10-Year Note	2.96%	+0.22%	+1.44%

Sources: The Wall Street Journal, June 3, 2022; Treasury.gov, June 3, 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, May 27, to Friday, June 3, close. Weekly performance for the MSCI-EAFE is measured from Friday, May 27, open to Thursday, June 2, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



There is a 5-letter, single-syllable word that you can take 4 letters out of, leaving you with only a single letter that has the same pronunciation as the original 5-letter word. What is this word? (Hint: it involves waiting in line.)

LAST WEEK'S RIDDLE: There are 2 nouns in the English language that become men's names when you capitalize them – and when you capitalize them, you alter their pronunciation. Name either or both of these 2 nouns, both of which end in 'b'.

ANSWER: Herb and Job (herb and job).

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

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.

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.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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CITATIONS:

1. The Wall Street Journal, June 3, 2022
2. The Wall Street Journal, June 3, 2022
3. The Wall Street Journal, June 3, 2022
4. CNBC, June 3, 2022
5. CNBC, June 3, 2022

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