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| **RESOURCE LOG – JANUARY 2023** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Big Tech Stocks Fall From Glory | For the better part of the previous decade, investors crowded into shares of fast-growing technology companies whose strong gains year after year reinforced bets that they had nowhere to go but up.  The trade became so popular, it earned its own acronym: FAANG.  Investors were forced to reassess the pros and cons of holding the shares of firms whose appeal centers on their potential for generating windfall profits many years in the future.  “When money is basically free…you’re willing to place a high value on future earnings, particularly of growth stocks,” said Erik Knutzen, chief investment officer of multi-asset strategies at Neuberger Berman. “that all changes when rates rise.”  Together, the FAANG stocks shed more than $3 trillion in market value… | The Wall Street Journal | 01/03/2023 | Hannah Miao |
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| Threats of a Further Rout Linger for Bonds | The year 2022 marked a truly historic bust for the U.S. bond market.  Normally a safe investment, U.S. bonds delivered losses over the past 12 months that far exceeded anything investors have seen in their careers. The Bloomberg U.S. Aggregate bond index dropped 13%, easily outdoing its previous worst year in data going back to the 1970s, when it declined 2.9% in 1994. | The Wall Street Journal | 01/03/2023 | Sam Goldfarb |
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| Gold’s Prospects Hinge On Fed Moves  *Precious metal fell for second straight year; bullish bets expect a less-hawkish central bank* | Gold prices finished 2022 flat, a surprising performance given persistently high inflation.  A late-year rally put the most actively traded gold futures contract down 0.1% in 2022, at $1,826.20 a troy ounce, according to Dow Jones Market Data. That marks two straight years of declines for the first time since 2015.  Investors prize gold for its stability, expecting it to hold value when other assets struggle.  Some analysts and investors believe gold will climb again in 2023, figuring that they have seen the worst of higher consumer prices and that yields and the dollar will also retreat, which would help gold prices.  Bank of America analysts say gold could top $2,000 an ounce in 2023, which would be near records. | The Wall Street Journal | 01/03/2023 | Hardika Singh |
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| Investors Brace for Market Turmoil | The central bank raised interest rates to the highest levels since 2007, stoking mammoth swings across global markets and a steep selloff in assets from stocks and bonds to cryptocurrencies.  Analysts at some of the biggest U.S. banks expect the stock market to retest its 2022 lows in the first half of the new year before beginning to rebound. Those at Goldman Sachs expect the S&P 500 to end 2023 at 4000 , about a 4% rise from where it ended 2022.  Five big technology stocks accounted for about aa quarter of the U.S stock market’s total declines last year…  The S&P 500 ended the year down 19%...  Investors abandoned the flashy tech and growth stocks that had propelled that market’s gains over the previous decade.  And value stocks – traditionally defined as those that trade at a low multiple of their book value, or net worth-staged a revival after years of lackluster returns. | The Wall Street Journal | 01/03/2023 | Gunjan Banerji |
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| Big Banks Expect Recession and Fed Pivot | More than two-thirds of the economists at 23 large financial institutions that do business directly with the Federal Reserve are betting the U.S. will have a recession in 2023. Two others are predicting a recession in 2024.  Americans are spending down their pandemic savings; the housing market is in decline; and banks are tightening their lending standards.  “We expect a downturn in global GDP growth in 2023, led by recessions in both the U.S. and the eurozone,” economists at BNP Paribas SA wrote in the banks 2023 outlook, titled “Steering Into Recession.”  …The Wall Street Journal expect the higher rates will push the unemployment level from November’s 3.7% to above 5% - still low by historical standards, but that increase would mean that millions of Americans would lose their jobs.  Many also expect the U.S. economy to contract in 2023. | The Wall Street Journal | 01/03/2023 | Dion Rabouin |
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| Stocks Retreat to Start New Year | Stocks slipped Tuesday to kick off the new year, pulled lower by investor favorites like Tesla and Apple.  The S&P 500 fell 15.36 points, or 0.4%, to 3824.14. The index dropped 19% last year, its biggest decline since 2008, the year Lehman Brothers collapsed,. The tech-focused Nasdaq Composite dropped 79.50 points, or 0.8%, to 10386.98, and the Dow Jones Industrial Average slipped 10.88 points, or l3ss than 0.1%, to 33136.37.  The Federal Reserve has signaled plans to lift interest rates through the spring, although some traders, expecting that the U.S. could slip into recession, are betting that policy makers will pivot to cutting rates.  That is likely to spell more volat9lity for the start of the year…  Tesla stock suffered its worst-ever year in 2022, declining 65%.  Apple share declined $4.86, or 3.7%, to $125.07, pulling the iPhone maker’s market value below $2 trillion for the first time since March 2021, according to Dow Jones Market Data.  In bond markets, the yield on the benchmark 10-year Treasury note ticked down to 3.791%... | The Wall Street Journal | 01/04/2023 | Caitlin Ostroff and Vicky Ge Huang |
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| Stock Market Ekes Out Its 7th Santa Rally in Row | Santa Claus made it to Wall Street in the nick of time.  At the start of every new year, market butts watch stocks to see if they notch what is known as a Santa Claus rally. The trend refers to the tendency for U.S. stocks to rise during the period comprising the last five trading sessions of a year and first two of the next year.  Strategists also often use the Santa Claus rally to gauge market performance in the coming year. When the S&P 500 experiences a Santa rally, the index posts a greater average gain in the new year than the overall typical return, according to a CFRA Research analysts.  “the actions of the central bank take precedence over what would be a normal rally,” said Quincy Krosby, chief global strategist for LFL Financial. | The Wall Street Journal | 01/05/2023 | Hannah Miao |
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| What’s News | ♦ Fed minutes showed officials offering blunt words of warning about investors underestimating the central bank’s determination to hold rates at higher levels to bring down inflation. | The Wall Street Journal | 01/05/2023 |  |
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| U.S. Cars Hit Worst Sales Year In Over A Decade | The U.S. auto industry posted its worst sales year in more than a decade in 2022, as supply-chain snarls and poorly stocked dealerships dented results for many car companies.  General Motors Co. was one of the few to report an increase, after recovering from factory shutdowns earlier in the year that were due to parts shortages. | The Wall Street Journal | 01/05/2023 | Sean McLain |
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| What’s News | ♦ Stocks fell after jobs data bolstered the case for the Fed to stay tough. The S&P 500, Nasdaq and Dow lost 1.2%, 1.5$ and 1%, respectively. | The Wall Street Journal | 01/06/2023 |  |
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| Dividend Stars Topped DJIA in 2022 | The Dogs of the Dow broke away from the pack in 2022.  The popular contrarian investment strategy outpaced the Dow Jones Industrial Average last year for the first time since 2018, while investors sought havens during the wild ride in markets.  The Dogs strategy involves buying the 10 stocks with the highest dividend yields of the 30 Dow components at the beginning of a year and holding them over the next 12 months. | The Wall Street Journal | 01/06/2023 | Hardika Singh |
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| Dow Jumps 700 Points On Signs of Moderating Wage Gains | The Dow Jones Industrial Average rallied about 700 points on Friday after fresh data showed a slowdown in wage growth, an upbeat sign for the Federal Reserve’s battle against inflation that could ease pressure for further interest-rate increases.  The Dow rose 700.53 points, or 2.1%, to 33630.61. The broad-based S&P 500 climbed 86.98, or 2.3%, to 3895.08. The technology-heavy Nasdaq Composite advanced 264.05, or 2.6%, to 10569.29.  The Labor Department’s monthly report showed that employers added 223,000 jobs in December…  The report also showed wage growth continuing to cool. Average hourly earnings rose 0.3% in December from the previous month, down from a 0.4% increase in November. | The Wall Street Journal | 01/07-08/2023 | Alexander Osipovich and Caitlin McCabe |
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| Job Gains, Wages show Cooling Signs | The U.S. labor market is losing momentum as hiring and wage growth cooled in December, showing the effects of slower economic growth and the Federal Reserve’s interest-rate increases.  Employers added 223,000 jobs in December, the smallest gain in two years, the Labor Department said Friday. Average hourly earnings were up 4.6% in December from the previous year…  Friday’s report sent markets rallying as investors anticipated it would cause the Fed to slow its pace of rate increase.  The Dow Jones Industrial Average rose 700.53 points, or 2.13%, on Friday. The S&P 500 index was up 2.28% and Nasdaq Composite Index advanced 2.56%. The benchmark 10-year Treasury yield declined 0.15 percentage point to 3.57%. | The Wall Street Journal | 01/07-08/2023 | David Harrison |
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| Finding Potential Upside In Markets and The Economy | For example, a tip of the hat goes to Parametric chief investment officer Thomas Lee for citing the silver lining …  He sees a slowing economy leading to higher unemployment and ultimately a “negative wealth effect” from declining asset prices.  At J.P. Morgan Asset Management, the outlook also points to a looming recession while struggling to avoid saying a recession is coming.  “Lower inflation and slower growth over the next few years seem very likely,” the J.P. Morgan outlook states.  Fixed income, against the backdrop of a dreadful 2022, looks better in the year ahead, assuming the Fed stops raising rates, according to J.P. Morgan.  Meanwhile, the outlook from The Vanguard Group is for central bankers to “continue their aggressive tightening cycle into early 2023 before pausing as inflation falls and job losses mount.”  Vanguard expects U.S. bonds to return between 4.1% and 5.1% per year over the next decade, which is up dramatically from a forecast of between 1.4% and 2.4% a year ago.  On the equity side, Vanguard says stocks have yet to drop “materially below their fair value, which they have historically done during recessions.”  Sam Stovall, chief investment strategist at CFRA, said the slowing economy will continue to drag down corporate profits. He cites the S&P Capital IQ consensus earnings estimates that the S&P 500 will rise 3.2% in 2023. That’s down from the 5.1% estimate from a year ago for 2022.  Looking past 2023 to 2024, however, “points to a recovery of more than 10% in S&P 500, with gains seen for all sectors but energy,” Stovall said.  GROWTH EXPECTATIONS  At Northern Trust Asset Management, recession isn’t in the forecast but slowing growth is, according to Michael Hunstad, chief investment officer for global equities.  “Our expectation is that inflation will come down over the next five years, but will remain elevated over the next couple of years,” he said.  Hunstad is looking for the Fed to tack on another 75 basis points to interest rates next year but said the long view looks rosier.  “Our five-year forecast (for equities) is a little lower than the long-run average,” he said. “We expect positive revenue growth over the next five years.” | Investment News | 01/09/2023 | Jeff Benjamin |
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| Bob Doll’s predictions paint a less scary picture of the year ahead | Bob Doll, chief Investment Officer Crossmark global investments:  HERE ARE HIS PREDICTIONS:   1. “”The U.S. experiences a shallow recession as G.D.P. is in bottom 10 of the last 50 years.” 2. “Inflation falls substantially but remains above the Fed’s target rate.” 3. “Fed funds rate reaches 5% and remains there for the balance of the year.” 4. “Earnings fall short of expectations in 2023 due to cost pressures of revenue shortfalls.” 5. “No major asset class is up or down by a double-digit percentage for only the fourth time this century.” 6. “Energy, consumer staples, and financials outperform utilities, technology, and communication services as value beats growth.” 7. “the average active equity manager beats the index in 2023.” 8. “International stocks outperform U.S. stocks for the second year in a row, and for the first time since 2006-2007.” 9. “India surpasses China as the World’s largest population and is the fastest growing large economy.” | Investment News | 01/09/2023 | Jeff Benjamin |
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| What’s News | ♦ Mutual-fund investors felt the pain in 2022, as only 40 of 1,410 actively managed stock funds were able to post a positive result. | The Wall Street Journal | 01/09/2023 |  |
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| Bonds Start the Year With A Rally | U.S. Treasurys are off to a solid start in 2023, providing a glimmer of hope to investors recovering from a historically terrible year for bonds.  Treasury yields, which fall when bond prices rise, logged sizable declines in the first week of the year.  Last week stood in contrast with the first week of 2022, when prices of Treasurys immediately started tumbling. That set the tone for a year when bonds delivered by far their biggest annual losses in records going back to the 1970s.  The yield on the benchmark 10-year U.S. Treasury note settled Friday at 3.470%... | The Wall Street Journal | 01/09/2023 | Sam Goldfarb and Matt Grossman |
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| Earnings Season Kick Off With a Low Bar | The stock market faces its next big test this week with the kickoff of a corporate earnings season that is expected to be dominated by worries about inflation and the health of the economy.  Analysts expect companies in the S&P 500 to report their first year-over-year decline in quarterly earnings since the height of the Covid-19 pandemic in 2020…  Companies have been battling a host of challenges, including persistently elevated costs, rising interest rates and a once-in-a=generation surge in the dollar. | The Wall Street Journal | 01/09/2023 | Hannah Miao |
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| Higher Rates, Tech Volatility Fuel Surge in Options Trading | Investors trying to capitalize on higher interest rates and a selloff in big technology s tocks late last year are stoking a flurry of activity in the options market.  Popular stocks such as Amazon.com Inc. and Nvidia Corp. lost about half of their value in the past year, raising the worth of some options tied to those shares.  Eyeing quick returns, many traders are selling contracts to reinvest the premium in ultrasafe short-term investments such as repurchase agreements that now offer their most attractive yields in more than a decade. | The Wall Street Journal | 01/10/2023 | Eric Wallerstein |
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| European Stocks Outshine Indexes In U.S.  *Rebound stems from easing energy crisis, slowing inflation, less drag from tech sector* | European stocks have roared back to life, boosted by signs of slowing inflation, falling energy prices and optimism surrounding China’s reopening.  Often considered laggards on the global markets stage, stock indexes across the European region in recent months have out-performed. Germany’s DAX index and France’s CAC 40 have each risen 18% or more in the past three months through Tuesday, more than double the 8.5% gain for the S&P 500. The U.K.’s benchmark FTSE 100 has also surged, putting it a little more than 2% away from reaching a record high.  The turnabout underscores how drastically economic expectations have shifted regarding Europe which only months ago was engulfed by anxieties over the war in Ukraine, a possible energy crisis and record-high inflation. | The Wall Street Journal | 01/11/2023 | Caitlin McCabe |
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| World Bank Slashes 2023 Growth Forecast  *Projection cut to 1.7% for global economy as elevated inflation raises recession risk* | The bank expects global growth to slow to 1.7% in 2023, down from an estimate of 3% growth in June. That would mark the third-weakest pace of global growth in nearly three decades, over-shadowed only by the 2009 and 2020 downturns…  Some economists have projected that the U.S. and parts of Europe could slip into a recession for a portion of 2023.  Elevated inflation is keeping pressure on global central banks to tighten monetary policy, which subsequently slows investment and the broader economy. | The Wall Street Journal | 01/11/2023 | Harriett Torry and Paul Hannon |
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| Stocks Advance As Investors Show Hope on Inflation  *Confidence grows that consumer-price data will lead to more mute Fed Rate Action* | The S&P 500 climbed 50.36 points, or 1.3%, to 3969.61. The Dow Jones Industrial Average added 268.91 points, or 0.8%, to o33973.01. The technology-focused Nasdaq Composite Index advanced 189.04 points, or 1.8%, to 10931.67. all three indexes rose on Tuesday as well, and the Nasdaq posted its fourth consecutive gain.  “It’s becoming clearer that inflation has peaked and we’re closer to the end of the rate-hike cycle than people were concerned we’d be,” said Jamie Cox, managing partner at Harris Financial Group.  In Europe, stock indexes rose, extending their recent outperformance over the U.S. | The Wall Street Journal | 01/12/2023 | Caitlin McCabe and Justin Baer |
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| Inflation Pace Slows for Sixth Straight Month | U.S. inflation eased in December for the sixth straight month following a mid-2022 peak as the Federal Reserve aggressively raised interest rates and the economy showed signs of cooling.  The consumer-price index, a measurement of what consumers pay for goods and services, rose 6.5% last month from a year earlier, down from 7.1% in November and well below a 9.1% peak in June.  Core CPI, which excludes volatile energy and food prices, climbed 5.7% in December… | The Wall Street Journal | 01/13/2023 | Gwynn Guilford |
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| Markets, Fed Split On Rate Forecasts | The Federal Reserve says it is too early to think about cutting interest rates this year. Investors are growing more convinced that is exactly what the central bank is going to do.  Many money managers think inflation has peaked, and that price pressures will fall so fast that the Fed takes back some of its interest-rate rises by the end of the year… | The Wall Street Journal | 01/13/2023 | Akane Otani and Nick Timiraos |
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| Short U.S. Recession Is Expected by CEOs | Significant majorities of corporate leaders outside China and Japan expect growth to return by late 2023 or the first half of 2024, according to an annual survey of more than 1,100 executives by the Conference Board, a not-for-profit business-research organization.  “Just about every region with the exception of China believes there’s going to be some kind of economic downturn,” said Dana Peterson, the Conference Board’s chief economist. “Ninety-eight percent of CEOs in the U.S. think there is going to be a recession – but it’s going to be short and shallow.” | The Wall Street Journal | 01/13/2023 | Theo Francis |
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| Stocks Rise as Investors Parse Earnings | The S&P 500 rose 15.92 points, or 0.4%, to 3999.09. the Nasdaq composite was up 78.05 points, or 0.7%, at 11079.16. The Dow Jones Industrial Average added 112.64 points, or 0.3%, at 34302.61. All three benchmarks finished the week with gains of at least 2%.  Some of the country’s biggest banks kicked off the fourth-quarter earnings season with better-than-expected results.  An optimistic reading on the state of American consumers also boosted market sentiment, with the University of Michigan’s consumer-sentiment index popping to its highest level since April. Expectations for inflation one year from now also edged down, according to the survey released Friday.  Inflation data released this week kept the Fed on track to slow its pace of interest-rate increases…  The yield on the 10-year U.S. Treasury note rose to 3.510% from 3.446% on Thursday. Yields rise as prices fall.  In commodity markets, oil prices edged up.  Overseas markets were broadly higher. | The Wall Street Journal | 01/14-15/2023 | Chesley Dulaney and Hannah Miao |
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| Economists See High Recession Risk | Despite signs that inflation has started to recede, economists still expect higher interest rates to push the U.S. economy into a recession in the coming year, according to The Wall Street Journal’s latest quarterly survey.  On average, business and academic economists polled by the Journal put the probability of a recession in the next 12 months at 61%, little changed from 63% in October’s survey. Both figures are historically high outside actual recessions.  While most recessions have included at least two consecutive quarters of negative growth, that isn’t the criterion sued by the panel at the National bureau of Economic Research…  Economists view high inflation, and the Fed’s efforts to tame it, as a top risk to the economy this year.  Fed officials have signaled they don’t expect to cut rates this year. Economists disagree: 51% expect the Fed to start cutting this year, although that is down from 60% in the last survey. | The Wall Street Journal | 01/17/2023 | Harriet Torry and Anthony DeBarros |
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| China’s GDP Growth Weakens To 3%  *Covid-19 lockdowns block spending, knocking down rate from 8.1% in 2021* | Aside from 2020, when the economy grew by only 2.2%, last year marked the worst year for gross domestic product growth in China since 1976…  Economists expect a consumer-led recovery in China this year… | The Wall Street Journal | 01/17/2023 | Jason Douglas |
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| Companies Slow Price Bumps After Shoppers Start to Balk | That is a good sign for the economy it suggests that some inflation in the past year resulted from extreme supply-demand imbalances brought on by the pandemic and the war in Ukraine and which are now fading.  Some companies raised prices not only because their costs were higher, but because they anticipated rising costs, according to a recent study. Those price increases, in turn, drove inflation higher. | The Wall Street Journal | 01/17/2023 | Sarah Nassauer, Suzanne Kapner and Nick Timiraos |
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| What’s News | ♦ China’s economy expanded 3% in 2022, one of its slowest rates in decades as repeated lockdowns hammered households and business, and down sharply from its 8.1% pace in 2021. | The Wall Street Journal | 01/17/2023 |  |
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| BlackRock, Goldman Are at Odds Over 60/40 Portfolio’s Relevance | The best-known names in asset management and investment banking are taking opposite sides in the debate over the classic way of building a portfolio – 60% stocks and 40% bonds – after a disastrous performance for the 60/40 model last year.  BlackRock says the losses – the worst in nominal terms for a 60/40 portfolio since the financial crisis of 2008 and the worst in real terms in a calendar year since the Great Depression – show that the structure is outdated. Goldman demurs, arguing the odd big loss is inevitable in any strategy and that 60/40 remains a valid basic approach.  Before getting into them, it is worth considering why 60/40 became the standard (some prefer 50.50 for bit more caution, or 70/30 for a bit more aggressiveness). It gives an investor decent exposure to growth through the stock element, steady income from the bonds, and a cushion during recessions when stocks often fall hard and bond yields usually fall too, increasing bond prices. | The Wall Street Journal | 01/17/2023 | James Mackintosh |
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| Capital Spending Seen Slowing as Fears Grow | Companies are expected to tap the brakes on capital investments this year as they assess the risk of a downturn and contend with higher financing costs. | The Wall Street Journal | 01/17/2023 | Kristin Broughton |
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| Four Reasons Why Inflation May Be a Long-Term Problem | The basic assumption of mainstream financial thinking is that inflation is temporary and will be cured by a swift course of higher rates prescribed the Federal Reserve.  Over the past couple of years, inflation was boosted by rates that were too low, a postpandemic supply-chain crunch and soaring energy prices due to Russia’s invasion of Ukraine.  There are four big risks: geopolitics, domestic politics, demographics and the Fed. The first three help determine where rates need to be to combat inflationary pressures, while the Fed’s willingness to raise rates helps determine whether inflation rises or falls. | The Wall Street Journal | 01/17/2023 | James Mackintosh |
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| China’s Shrinking Population Compounds Growth Concerns | Economists said China’s shrinking population poses a major future challenge for the world’s second-largest economy…  Some government advisers said the central leadership likely will announce a growth target of between 5% and 5.5% for 2023 at the coming legislative sessions in March. China on Tuesday posted 3% growth for 2022, its second-worst growth rate since 1970.  “If China produces a solid growth number for 2023, 5% or 5% plus, that will actually underpin much global growth for the year to come,” said Kevin Rudd, president and CEO of Asia Society. | The Wall Street Journal | 01/18/2023 | Stella Yifan Xie, Jason Douglas and Lingling Wei |
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| Recession Threat Permeates Davos | Business leaders and economists gathered here this week for the World Economic Forum’s annual event say they see the world buffeted by high interest rates that central banks have pushed through to combat inflation.  “The mood is somber,” said Nick Studer, chief executive of the Oliver Wyman Group consulting firm, who has attended meetings in Davos for year.  Whether the U.S. slips into a recession this year remains an open question, many business leaders say. Executives have been preparing for the possibility for months, even as consumer spending has remained fairly strong and the unemployment rate stood at a historically low 3.5% in December. | The Wall Street Journal | 01/18/2023 | Chip Cutter and Sam Schechner |
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| The Debt Threat Keeps Mounting | Today entitlement spending comprises 64% of the federal budget and continues to grow unsustainably. | The Wall Street Journal | 01/18/2023 | Jeb Hensarling |
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| Retail Sales Post Biggest Drop of 2022  *Monthly decline of 1.1% shows interest rates, inflation hit consumers; stock indexes weaken* | …a Federal Reserve report on Wednesday found economic activity was relatively flat at the start of the year and businesses are pessimistic about growth in the months ahead. A separate Fed report showed U.S. industrial production slumped in December, led by weakness in manufacturing.  Stocks fell Wednesday after the data releases, with the S&P 500 shedding 1.6%, and the Dow Jones Industrial Average down 1.8%, or 613.89 points. The Nasdaq Composite Index lost 1.2%. The yield on the benchmark 10-year Treasury note declined 0.16 percentage point to 3.374%. | The Wall Street Journal | 01/19/2023 | Harriet Torry and Sarah Nassaurer |
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| Oil Demand Seen Hitting Record in 2023 | China’s rapid shift to reopen its economy following lengthy covid-10 lockdowns should help oil demand rise to a record this year, the International Energy Agency said.  A similarly sudden turn-around for the fortunes of economies in Europe and the U.S. also is boosting oil-demand expectations… | The Wall Street Journal | 01/19/2023 | Will Horner |
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| What’s News | ♦ Two senior Fed officials said the central bank was making progress in its inflation fight but that it would take time to bring inflation back to the 2% target. | The Wall Street Journal | 01/20/2023 |  |
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| What’s News | ♦ The Treasury department began taking special measures to keep paying the government’s bills as the U.S. bumped up against its borrowing limit, kicking off a potentially lengthy and difficult debate in Congress over raising the debt ceiling. | The Wall Street Journal | 01/20/2023 |  |
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| Stocks Fall as Data Signal Slump  *Tepid earnings reports from Alcoa, other large companies drive down prices* | Stocks extended a string of losses Thursday as economic data and corporate-earnings reports clouded investors views of the health of the economy.  The Dow Jones Industrial Average declined 252.40 points, or 0.8%, to 33044.56, sliding into negative territory on the year. The technology-heavy Nasdaq composite Index lost 104.74 points, or 1%, to 10852.27.  Markets had begun 2023 with solid gains, buoyed by optimism that the Federal Reserve may soon begin slowing the pace of its interest-rate rises and by the end of China’s severe pandemic restrictions.  Losses this week have come alongside weaker-than-expected economic figures.  “the housing market is clearly in a recession; the manufacturing sector is teetering on the edge of a recession… said David Donabedian, chief investment officer at CIEC Private Wealth US.  The yield on the 10-year Treasury note rose to 3.396%, up from 3.374% on Wednesday… | The Wall Street Journal | 01/20/2023 | Matt Grossman and Will Horner |
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| Stocks Cap Rough Week With Gains | Stocks rose Friday, boosted by some solid corporate earnings, though two major indexes finished the week with losses after being weighed down by concerns about a slowing economy.  The S&P 500 index rose 73.76 points, or 1.9%, to 3972.61, its first up day after three days of declines. The Nasdaq Composite gained 288.17 points, or 2.7%, to 11140.43, led higher by shares of Netflix and Alphabet. The Dow Jones Industrial Average was up 330.93 points, or 1%, to 33375.49.  The Dow and S&P still suffered their first weekly declines of the new year, falling 2.7% and 0.7%, respectively.  Investors also remain broadly at odds with the Fed over how quickly the central bank will begin to ease monetary policy, a mismatch analysts believe could fuel more volatility in markets this year. | The Wall Street Journal | 01/21-22/2023 | Chelsey Dulaney and Corrie Driebusch |
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| What’s News | ♦ China’s abandonment of its zero-Covid policy is good news for global economic growth but it could give a fresh boost to inflation in Europe, Lagarde said. | The Wall Street Journal | 01/21-22/2023 |  |
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| What’s News | ♦ Existing-home sales in the U.S. declined again last month, wrapping up the weakest year for sales activity since 2014. Sales in December were down 34% from a year earlier. | The Wall Street Journal | 01/21-22/2023 |  |
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| Fed Sets Milder Course On Rate Increases  *Next meeting likely to see quarter-point rise, discussions on how long to keep tightening* | “And that logic is very applicable today,” said Fed Vice Chair Lael Brainard in remarks last week. Raising rates in smaller increments “gives us the ability to absorb more data and probably better land at a sufficiently restrictive level.” | The Wall Street Journal | 01/23/2023 | Nick Timiraos |
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| Could a Recession Start Next Month? | Will there be a U.S. recession and, if so, when will it begin? According to a disturbingly accurate barometer, the answer is yes and (Quip) next month.  Unlike payrolls or inflation, the release of the conference Board’s Leading Economic Index isn’t one of those red-letter days for market watchers because it is composed largely of data points in the public domain. But, unlike those measures, it has a perfect record of signaling U.S. recessions.  Traders are fixated on a decline in inflation that will allow the Federal Reserve to ease up on its rate-increasing cycle soon.  The Conference board’s Ataman Ozyildirim, senior director, economics, was equally downbeat. “The US LEI fell sharply again in December – continuing to signal recession for the US economy in the near term,” ne notes. Another eerily reliable recession indicator, the spread between the yield on three-year Treasury bills and the bench-mark 10-yeare note, recently hit its widest spread since at least 1982. | The Wall Street Journal | 01/24/2023 | Spencer Jakab |
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| Hopes for a Markets Recovery Hinge on Big Drop in Inflation | Market-Based gauges of inflation expectations project the annual pace of rising prices will drop in the months ahead roughly as rapidly as during the recession that followed the 2008 financial crisis,,,  Many Wall Street strategists, however, are warning that a painless end to elevated inflation will be difficult to achieve.  Avoiding a serious downturn while inflation falls quickly would be a “Goldilocks scenario,” said Liz Ann Sonders, chief investment strategist at Charles Schwab. | The Wall Street Journal | 01/24/2023 | Matt Grossman |
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| Stocks Rise With Earnings on Way  *Information-tech shares are S&P 500’s top performer, led by Nvidia and AMD* | The S&P 500 added 47.20 points, or 1.2%, to 4019.81. The Dow Jones Industrial Average gained 254.07 points, or 0.8%, to 33629.56. The Nasdaq Composite rose 223.98 points, or 2%, to 11364.41.  The stock market has rebounded to start 2023 as investors predict moderating inflation will encourage the Fed to ease its interest-rate lifts and potentially cut rates later this year. | The Wall Street Journal | 01/24/2023 | Joe Wallace and Hannah Miao |
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| Tech Earnings To Provide Next Test for Markets | Technology stocks are off to a strong start after enduring a miserable 2022.  Even after their sharp selloff, the five largest U.S. companies – Apple Inc., Microsoft Corp., Alphabet Inc., Amazon.com Inc. and Berkshire Hathaway Inc. – account for 18.9% of the S&P 500. That is well above the historical average of about 15%, according to S&P Dow Jones Indices.  The companies’ heavy weighting in the index makes their next round of quarterly earnings especially important because any disappointment could leave the broader market vulnerable to a selloff.  Expectations for the group aren’t high. | The Wall Street Journal | 01/25/2023 | Charley Grant |
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| Small Businesses Keep Hiring in Face Of Fed Rate Rises | Small companies have been responsible for all of the net job growth in the U.S. since the onset of the covid-19 pandemic and account for nearly 4 of 5 available job openings, according to a Wall Street Journal review of labor data and an analysis by Jefferies.  In the sometimes confounding logic of Wall Street, good news for the economy – such as a hiring surge by small businesses – can be bad news for markets. As long as the job market is strong, the Fed will have a hard time slowing down the economy and curbing inflation, and will continue raising interest rates.  Small businesses accounted for 78% of the U.S. job listings in November, the latest month for which data are available, and 91% of the post-pandemic increase in job openings…  Central bankers have pointed to the labor market as a primary d river of inflation even though wage increases have significantly lagged behind overall inflation.  The Fed has said it plans to continue to increase rates this year. That is expected to slow the economy, with the central bank projecting U.S. economic growth of just 0.5% in 2023.  “Overall, small-business owners are not optimistic about 2023 as sales and business conditions are expected to deteriorate,” Bill Dunkelberg, NFIB chief economist, said in a recent survey release.  In addition, the Fed’s rate increases are making it harder for small businesses to find – or afford – outside funding. | The Wall Street Journal | 01/26/2023 | Dion Rabouin |
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| Consumers Cut Back Spending In Latest Sign of a Slowdown | U.S. households turned cautious at the end of last year, cutting spending during the holiday shopping season and increasing savings, adding to signs of an economic slowdown.  The core PCE-price index, which removes volatile food and energy prices, rose 4.4% in December from a year earlier, its slowest pace since October 2021.  U.S. stocks rose Friday, with major indexes posting solid gains for the week, boosted by investors’ hopes that inflation is moderating. The S&P 500 added 2.5% for the week, while the Nasdaq Composite Index jumped about 4.3%. The Dow Jones Industrial Average rose about 1.8%. | The Wall Street Journal | 01/28/2023 | Austin Hufford |
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| IMF Forecasts a Sunnier 2023 for Global Economy | Resilient demand, easing inflation and China’s reopening should allow the global economy to grow a bit faster than previously expected, the International Monetary Fund said.  In its latest World Economic Outlook, released Monday Washington time, the IMF sees the global economy growing 2.9% this year, up from its October projection of 2.7%. The IMF expects growth to accelerate to 3.1% in 2024, still less than last year’s 3.4%. | The Wall Street Journal | 01/31/2023 | Yuka Hayashi |
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| Stocks Fall Ahead of Fed, Earnings | Stocks fell, with investors growing cautious at the start of a bumper week of central-bank meetings and corporate earnings.  The S&P 500 fell 52.79 points, or 1.3%, to 4017.77, while the Dow Jones Industrial Average fell 260.99 points, or 0.8%, to 33717.09. The Nasdaq composite declined 227.90 points, or 2%, to 11393.81.  In the S&P 500, 48 of last year’s 50 worst-performing stocks are up this year, notching an average gain of 17%...  The yield on the benchmark 10-year Treasury note climbed to 3.550% from Friday’s 3.517%.  In Europe, the Stoxx Europe 600 fell 0.2%, led by losses for technology companies. | The Wall Street Journal | 01/31/2023 | Will Horner and Hardika Singh |

“My father taught me to work; he did not teach me to love it.” *Abraham Lincoln*

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