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| **RESOURCE LOG – FEBRUARY 2022** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| What’s News | ♦ Major U.S. stock indexes advanced Monday, but the S&P 500 logged a loss of 5.3% for January, its worst month since March 2020. The Nasdaq and Dow fell 9% and 3.3%, respectively, in January. | The Wall Street Journal | 02/01/2022 |  |
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| S&P Ends worst Month in Years | The broad U. S. stock index retreated 5.3% in volatile trading in January, as investors wrestle with the question of how tighter monetary policy would influence equity valuations. High inflation and a strong labor market have led Federal Reserve officials to accelerate plans for unwinding support for the economy.  The suite of concerns has led to declines across the stock market, with 10 of the S&P 500’s 11 sectors retreating in the new year. Only energy stocks have bucked the downward trend.  On the final trading day of January, the S&P 500 advanced 83.70 points, or 1.9%, to 4515.55. the Dow Jones Industrial Average gained 406.39 points, or 1.2%, to 35131.86. The Nasdaq composite advanced 409.31 points, or 3.4%, to 14239.88, chipping away at its monthly losses. | The Wall Street Journal | 02/01/2022 | Karen Langley and Caitlin Ostroff |
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| Bond Market Hints At Calm | Yields on longer-term U.S. government bonds have shown signs of stabilizing in recent days, easing the pressure generated on stocks by their rapid early-year climb.  Fed chairman, Jerome Powell send shudders through markets last week when he didn’t rule out relatively aggressive steps to help bring down inflation, such as rate increases at consecutive meetings or a half-a-percentage-point increase at a single meeting.  Bond investors, though, have responded by lifting their expectations for the speed of rate increases, not the total number. The yield on the benchmark 10-year U.S. Treasury note, which loosely reflects expectations for short-term rates over the next decade, settled Tuesday at 1.799% - still up from 1.496% at the end of December but down from 1.868% on Jan. 18… | The Wall Street Journal | 02/02/2022 | Sam Goldfarb |
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| Value Investing Is Back but for How Long? | Value investing – buying stocks that are cheap on measures such as earnings or book value – is having a renaissance. Up to last Thursday, large value stocks beat more expensive “growth” stocks by the most of any 50-day period since the technology bubble burst in 2000-01, with the exception of the postvaccine rebound early last year.  Bond yields have leapt since early December, as expectations grew that the Federal Reserve would raise rates aggressively this year to tackle inflation. That coincided with a tumble in growth stocks, dragging the Nasdaq index to within a whisker of a bear market, down almost 20% from its November peak.  Cliff Asness, founder of quantitative fund manager AQR, thinks it is plausible that the bond-yield rise was the shock that changed investor views on growth stocks.  But markets move with the heart as well as the head. Mr. Asness is right that sentiment matters, and it may be turning back in favor of value… | The Wall Street Journal | 02/02/2022 | James Mackintosh |
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| What’s News | ♦ The eurozone’s inflation rate rose to a record in January, an unwelcome surprise for policy markers a t the ECB who have said they don’t expect to raise their key interest rate this year. | The Wall Street Journal | 02/03/2022 |  |
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| What’s News | ♦ U.S. stocks rose, extending their winning streak to four sessions. The S&P 500, Dow and Nasdaq gained 0.9%, 0.6% and 0.5%, respectively. | The Wall Street Journal | 02/03/2022 |  |
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| What’s News | ♦ Europe’s central banks signaled growing concern about soaring inflation and a determination to quench it by raising rates; a policy shift that creates risks for investors and the world economy. | The Wall Street Journal | 02/04/2022 |  |
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| Meta’s Plunge Rattles Lofty Tech Shares  *Stocks ‘priced way beyond perfection’ face scrutiny; Facebook parent has record fall* | Facebook’s parent company shed more than $230 billion in market value Thursday, a one-day loss that is the biggest ever for a U.S. company and increases pressure on a stock market long powered by technology shares.  The Tech-heavy Nasdaq composite index dropped 3.7%, its worst day since September 2020, while the S&P 500 fell 2.4%. | The Wall Street Journal | 02/04/2022 | Karen Langley |
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| Frackers Brace for Shale Slowdown | The end of the boom is in sight for America’s fracking companies.  Less than 3 ½ years after the shale revolution made the U.S. the world’s largest oil producer, companies in the oil fields of Texas, New Mexico and North Dakota have tapped many of their best wells.  If they boosted production 30% a year – the pre-pandemic growth rate in the Permian Basin, the country’s biggest oil field – they would run out of prime drilling locations in just a few years.  Shale companies once drilled rapidly in pursuit of breakneck growth. Now the industry has little choice but to keep running in place. Many are holding back on increasing production, despite the highest oil prices in years and request from the White House that they drill more.  For several years before the pandemic, frustrated investors had pressured companies to slow production growth and return cash to shareholders rather than pump it back into drilling.  U.S. oil productions, now at about 11.5 million barrels a day, is still well below its high in early 2020 of about 13 million barrels a day.  Big shale companies already have to drill hundreds of wells each year just to keep production flat.  The Permian is expected to be the longest-lived U.S. oil region and is home to more than 80% of the country’s remaining economic drilling locations, according to Wood Mackenzie. | The Wall Street Journal | 02/04/2022 | Collin Eaton |
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| Amazon Report Energizes Stocks | The technology-focused Nasdaq composite jumped by 219.19 points, or 1.6%, to finish at 14098.01, a day after the index posted its largest loss since September 2020. The S&P 500 climbed 23.09 points, or 0.5%, to end at 4500.63. Both were bolstered by a 14% jump in shares of Amazon.com…  The Dow Jones Industrial Average slipped by 21.42 points, or 0.1%, to end at 35089.74. The index of blue-chip stocks was down more than 300 points earlier in the day.  Last month, major indexes tumbled for a stretch of weeks as concerns flared about the path of monetary tightening by the Federal Reserve. The central bank last week signaled that it would begin raising rates in mid-March.  Sharp moves in the share prices of large technology and social-media companies have an outsize impact on broader indexes. Amazon had a 3.3% weighting on the S&P 500 as of Wednesday…  The market volatility could continue until the Fed implements its first interest-rate-increase and investors get used to the idea of rising rates, said Peter Andersen, founder of Massachusetts-based Investment firm Andersen Capital Management.  “The fact that everything is sold off wholesale is really, in my opinion, a buying opportunity,” Mr. Andersen said. | The Wall Street Journal | 02/5-6/2022 | Caitlin McCabe and Caitlin Ostroff |
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| Rate Jitters Fuel a Surge In Global Bond Yields | Government bond yields surged world-wide after a strong report on the U.S. labor market boosted investors’ expectations that central banks will begin steadily raising interest rates to fight inflation.  The benchmark 10-year U.S. Treasury yield, which helps set borrowing costs on everything from mortgages to corporate loans, settled at 1.930%, its highest close since December 2019. The 10-year German bund climbed to 0.2%, its highest level in nearly three years and further into positive territory after years below zero.  Expectations that the Federal Reserve will raise rates multiple times in 2022 sparked an early-year bond rout that has jarred financial markets, fueling declines in stocks and other riskier investments. | The Wall Street Journal | 02/05-06/2022 | Anna Hirtenstein |
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| Hiring Shows Surprising Strength | The U.S. economy added 467,000 jobs in January, the Labor Department said Friday. Job growth in November and December combined was about 700,000 higher than previously reported.  U.S. stocks were generally higher and government bond yields rose sharply after the better-than-expected report. | The Wall Street Journal | 02/05-06/2022 | Sarah Chaney Cambon and Gabriel T. Rubin |
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| Investors Reassess As Glow Of Tech Fades | Investors are reconsidering how they trade bit technology stocks, focusing after a wild week on sifting for firms deemed most likely to thrive as interest rates rise.  Some have become victims of rising interest rates, changing consumer tastes and stretched valuations.  For the past three years, Facebook-parent Meta Platforms Inc., Apple Inc., Amazon.com Inc., Netflix Inc. and Google-parent Alphabet Inc. recorded big; simultaneous gains. So far in 2022, all five have fallen.  The NYSE FANG+ Index, which tracks those popular stocks alongside a handful of others, has declined 10% this year, underperforming the broader market. | The Wall Street Journal | 02/07/2022 | Gunjan Banerji |
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| Bond Yields Approach Milestone | Friday’s blockbuster jobs report has pushed the yield on the 10-year U.S. Treasury note within teach of 2%, marking a major step in the financial markets’ recovery from the pandemic.  Investors and analysts pay close attention to Treasury yields because they set a floor on interest rates across the economy and are an input in financial models investors use to value stocks and other investments. Rising yields this year have rattled markets and hurt tech stocks in particular, since the ability to get higher risk-free returns from bonds tends to make investors less interested in companies that are valued for their more distant earnings potential.  There are still questions about how high Treasury yields will rise, according to investors and analysts. | The Wall Street Journal | 02/08/2022 | Sam Goldfarb |
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| Investors Turn Picky on FAANG Stocks | The broad stock-market gauge slipped 16.66 points, or 0.4%, to 4483.87. the Nasdaq composite declined 82.34 points, or 0.6%, to 14015.67. The Dow Jones Industrial Average closed at 35091.13, roughly flat from the prior session.  Stocks have had a turbulent start to the year, amplified in recent days by extreme moves in big tech stocks.  On Monday, the S&P 500 and Nasdaq wavered through the day before turning negative in the afternoon, dragged lower by some of those heavyweights and other tech companies.  The trading in recent weeks has been marked by big intraday reversals. | The Wall Street Journal | 02/08/2022 | Anna Hirtenstein and Gunjan Banerji |
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| S&P 500 Rises as 8 of 11 Sectors Gain  *Dow industrials, Nasdaq advance more than 1% after positive earnings reports* | The S&P 500 advanced 37.67 points, or 0.8%, to 4521.54. the Dow Jones Industrial Average added 371.65 points, or 1.1%, to 35462.78. The Tech-heavy Nasdaq composite climbed 178.79 points, or 1.3%, to 14194.45.  The S&P 500 is still down 5.1% in 2022 after selling off in January.  A generally positive earnings season has helped support stocks. With results in from about 60% of S&P 500 companies, analysts expect profits rose 30% in the fourth quarter from a year earlier, according to FactSet.  At the same time, a number of companies have adopted a wary tone about the path ahead.  “The question is: Does the Fed get it right? Do they walk the line properly between raising rates and tightening policy at a pace that helps to curb inflation but doesn’t slow demand and hurt the economy,” said Peter Langas, chief portfolio strategist at Bessemer Trust.  Large-cap tech firms have been particularly choppy in recent days, exacerbating broader market volatility. | The Wall Street Journal | 02/09/2022 | Karen Langley and Will Horner |
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| Fed Plans Put Developing World on Edge | Central Bankers in developing countries have been ratcheting up interest rates for months, seeking to stay ahead of a rise in U.S. rates that could destabilize their economies by pushing up their own cost of debt, weakening their currencies and driving capital out of their markets and into higher-yielding U.S. securities.  If successful in taming inflation, the Fed could help central banks everywhere, because a turbocharged U.S. economy, huge government stimulus and a splurge by Americans on everything from toys and household appliances have snarled supply chains and driven inflation higher world-wide.  The risk for developing economies is that it isn’t clear how far and how fast the Fed will decide to raise its key interest rates.  The cost of staying ahead of inflation for economies like Brazil’s is mounting. | The Wall Street Journal | 02/09/2022 | Paul Hannon |
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| Trade Gap Grew 27% To Record Last Year | The 2021 trade deficit in goods and services well exceeded the previous record of $763.53 billion in 2006…  The Trade deficit – with China specifically – grew 14.5% for the full year to $355.3 billion, reversing the decline that followed then-President Donald Trump’s policies aimed at reducing the deficit with tariffs and purchase targets. | The Wall Street Journal | 02/09/2022 | Yuka Hayashi and Anthony DeBarros |
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| Dividend Stocks Back in Fashion Amid Turbulence | An early-year tumble in major stocks indexes has some investors searching for safety by dumping shares of high-growth technology stocks for stodgier businesses that pay shareholders cash, including banks, oil companies and telecommunications companies.  Through Monday, the S&P 500 High Yield Dividend Index, made up of the S&P 500’s top 80 dividend-paying companies, was up 2.6% including dividends, compared with a negative total return of 5.8% for the broad benchmark through Monday.  The average dividend-paying stock in the S&P 500 rose by 6.6 percentage points more than nonpayers in January, the biggest margin favoring payers in 17 years, according to S&P Dow Jones Indices.  The S&P 500 and the Nasdaq composite suffered their worst January in more than a decade as big tech stocks slid. The indexes are down 5.1% and 9.3%, respectively, this year, while the Dow Jones Industrial Average is down 2.4%. | The Wall Street Journal | 02/09/2022 | Hardika Singh and Michael Wursthorn |
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| Nasdaq Jumps 2.1%, bond Yields Fall  *All 11 sectors of S&P 500 rise, pushing up broad benchmark by 1.5% on the day* | The S&P 500 rose 65.64 points, or 1.5%, to 4587.18. The broad index had also risen Tuesday…  The Dow Jones Industrial Average climbed 305.28 points, or 0.9%, to 35768.06, while the Nasdaq composite added 295.92 points, or 2.1% to 14490.37. While all three indexes are up this week, they are in negative territory year to date.  “We could potentially see bouts of volatility throughout this year, especially as the Fed starts its tightening cycle. That’s usually when markets have a little bit of indigestions,” said Mona Mahajan, a senior investment strategist at Edward Jones.  The yield on the benchmark 10-year U.S. Treasury note ticked down to 1.928% from 1.954% Tuesday…  European bonds yields also fell, with the yield on the 10-year German bund ticking down to 0.2181% from 0.264% Tuesday, according to Tradeweb.  Overseas, the pan-continental Stoxx Europe 600 rose 1.7%. Shares of Dutch payment company Adyen jumped 12% after it reported a profit rise that beat market expectations. | The Wall Street Journal | 02/10/2022 | Hardika Singh and Caitlin Ostroff |
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| Average Monthly Price Squeeze: $276 | The average U.S. household is spending an additional $276 a month because of inflation that is rising at its fastest rate in 40 years, a new economic analysis showed.  Research shows inflation is also squeezing some groups, on average, more than other.  Here are some findings:  ♦ Middle-class households were squeezed harder than other groups, with prices up 6.7% in December.  ♦ Hispanic or Latino households faced inflation of 7.1%, thanks again to a disproportionate share of spending on used autos and gasoline.  ♦ Those ages 35-44 saw their costs rise 6.9% in 2021, higher than any other age group… | The Wall Street Journal | 02/11/2022 | Gwynn Guilford |
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| Inflation Speeds to 40-Year High | A relentless surge in U.S. inflation reached another four-decade high last month, accelerating to a 7.5% annual rate as strong consumer demand collided with pandemic-related supply disruptions.  That put inflation above December’s 7% annual rate and w ell above the 1.8% annual rate for inflation in 2019 ahead of the pandemic.  The so-called core price index, which excludes food and energy, climbed 6% in January from a year earlier. That was a sharper rise than December’s 5.5% increase and the highest rate in nearly 40 years.  Prices were up sharply for a number of items, including food, vehicles, shelter and electricity. A sharp uptick in housing rental prices – one of the biggest monthly costs for households – contributed to last month’s increase.  High inflation is the dark side of the unusually strong economy that has been powered in part by government stimulus to counter the pandemic. | The Wall Street Journal | 02/11/2022 | Gwynn Guilford |
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| Fed Mulls Larger Rate Rise In March | The debate still has weeks to play out but could lead officials to begin lifting interest rates from near zero next month with a larger half-percentage-point move. The Fed hasn’t raised rates by a half percentage point since 2000.  On Thursday, the yield on the two-year Treasury note, which is especially sensitive to near-term monetary policy, settled at 1.56%... | The Wall Street Journal | 02/11/2022 | Nick Timiraos |
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| What’s News | ♦ The federal budget in January ran a monthly surplus for the first time since September 2019, as the government took in more revenue and spent less on pandemic aid programs. | The Wall Street Journal | 02/11/2022 |  |
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| Treasury Yields top 2% Marker | An intensifying selloff in U.S. government bonds drove benchmark borrowing costs above 2% for the first time since mid-2019 after data showing sustained inflation fueled new bets the Federal Reserve will rapidly remove pandemic stimulus measures.  Stocks slid, with the S&P 500 losing 1.8% and Nasdaq composite dropping 2.1%, after the Labor Department released data showing that U.S. inflation accelerated at a 7.5% annual rate in January…  The two-year yield logged its biggest one-day increase since 2009 to finish at 1.560%. Yields on longer-term bonds also climbed sharply, with the 10-year yield topping 2% for the first time since mid-2019 to settle at 2.028%.  This year’s climb has driven up mortgage rates and contributed to a decline in stocks, even as it has signaled a strong economy capable of generating inflation. | The Wall Street Journal | 02/11/2022 | Sam Goldfarb |
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| Stocks Are The Cheapest Since 2020 | Although major indexes are still hovering near record levels, a punishing early-year selloff in technology and other growth stocks has brought valuations down closer to historical norms. Stocks resumed their declines this week, with the S&P 500 sliding 3.7% across Thursday and Friday after a hotter-than-expected inflation report bolstered the case for tighter monetary policy from the Federal Reserve.  The U.S. stock benchmark traded late last month at as low as 19.3 times projected earnings over the next 12 months…  …but still above the five-year average of 18.9.  The S&P 500 declined 1.8% for the week, while the tech-heavy Nasdaq composite slumped 2.2%. The indexes are down 7.3% and 12%, respectively, this year.  “While we’re pleased to see that valuations have come down a bit that’s not the key driver that we’re counting on to drive the markets higher.” Said Saira Malik, chief investment officer at Nuveen. “We’re counting on earnings.”  Analysts predict that profits from companies in the S&P 500 will rise 8.5% in 2022… | The Wall Street Journal | 02/12-13/2022 | Karen Langley |
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| U.K. Faces Economic slowdown as Inflation rises | The U.K. economy contracted in the final month of last year as the spread of the Omicron variant hit hospitality and other consumer services.  With the economy expanding rapidly in October and November, growth for 2021 as a whole was 7.5% - the strongest performance among the Group of Seven largest rich economies. The U.K., however, also suffered the largest contraction in 2020 and had further to climb to get back to its pre-pandemic level of activity.  The U.K. is now expected to return to its pre-pandemic level of activity in this quarter, reaching a milestone the U.S. economy passed in the middle of last year.  The international Monetary Fund expects the U.K. economy to grow by 4.7% this year, while it projects 4% growth in the U.S. | The Wall Street Journal | 02/12-13/2022 | Paul Hannon |
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| Warning Stepped Up on Russian Invasion | The escalation of tensions sent U.S. stocks lower Friday afternoon, as investors sought the safety of government bonds, sending their yields lower. Oil prices jumped to fresh eight-year highs on the prospect of supply disruptions.  “the level of concern is increasing on the imminence” of an invasion, one official said.  All three major U.S. stocks indexes finished Friday lower, capping another volatile week on Wall Street. Friday’s retreat from stocks extended a selloff that began Thursday after data showed inflation his 7.5% in January, raising fresh concerns that the Federal Reserve might have to tighten monetary policy more aggressively than once thought.  The S&P 500 tumbled 85.44 points, or 1.9%, in Friday trading, to settle at 4418.64. its combined two-day loss over Thursday and Friday amounted to 3.7%, the index’s largest two-day percentage decline since October 2020.  The technology-heavy Nasdaq composite slid 394.49 points, or 2.8%, on Friday to finish at 13791.15. The Dow Jones Industrial Average lost 503.53 points, or 1.4%, to end at 34738.06.  All three major indexes ended the week with losses. The S&P 500 and Nasdaq composite lost 1.8% and 2.2%, respectively, for the week. The Dow ended with a weekly loss of 1%.  Oil prices surged Friday, with Brent crude jumping 3.3% to $94.44 a barrel, its highest settle since September 2014.  In the bond market, the yield on the benchmark 10-year Treasury note retreated. The yield, which settled Thursday at 2.028%, fell to 1.951% Friday. | The Wall Street Journal | 02/12-13/2022 | Gordon Lubold and Sabrina Siddiqui |
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| What’s News | ♦ The threat of a Russian invasion of Ukraine is shaking up a fragile global oil market, pushing prices closer to $100 a barrel as traders calculate that supplies will struggle to cushion the effect from any significant disruption in Russian fossil-fuel exports. | The Wall Street Journal | 02/14/2022 |  |
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| What’s News | ♦ Investors in U.S. stocks are weighing good news about corporate earnings and the labor market against the stubborn challenges of high inflation, rising bond yields and geo-political uncertainty. | The Wall Street Journal | 02/14/2022 |  |
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| Inflation, Ukraine threaten Stocks | Stocks have generally fared better than in January, when they fell sharply in anticipation of tighter monetary policies but are still buffeted by conflicting trends that are expected to keep prices volatile.  Yields, which rise when bond prices fall, are a bedrock gauge for investors because they help dictate borrowing costs on everything from mortgages to corporate debt.  The yield on the benchmark 10-year U.S. Treasury note surged from 1.496% at the end of last year to 1.866% on Jan. 18. | The Wall Street Journal | 02/14/2022 | Sam Goldfarb and Caitlin McCabe |
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| Ukraine, Fed Weigh on Stocks  *Investors gird for war, keep eyes on rates; oil prices climb to highest levels since ‘14* | U.S. stocks fell for the third straight day on Monday…  “the market has woken up to the risk there over the past week or so,” said Jon Adams, a portfolio manager at BMO global Asset Management. “The challenge is that it’s very hard to assess the risks of a war between Russia and Ukraine, because it’s such an unpredictable situation.”  The Dow Jones Industrial Average ended the day with a loss of 171.89 points, or 0.5%, to close at 34566.17. the D ow was down more than 400 points at its low for the day, before recouping some of the losses in the afternoon.  The S&P 500 declined 16.97, or 0.4%, to 4401.67.  The technology-heavy Nasdaq Composite was little charged Monday, slipping 0.24, or less than 0.1%, to 13790.92.  European markets bore the brunt of tensions over a possible ground was in Ukraine. The pan-continental Stoxx Europe 600 closed down 1.8%.  Yields on government bonds were whipsawed by the fast-moving situation.  The yield on 10-year Treasury notes settled on Monday at 1.995%, up from 1.951% Friday.  Stocks have also been buffeted this year by the prospect of the Fed raising rates.  Oil prices climbed to new multiyear highs on concerns that a war would curtail supplies of Russian crude amid a lack significant spare supplies. Front-month Brent oil futures advanced 2.2% to $96.48 a barrel… | The Wall Street Journal | 02/15/2022 | Alexander Osipovich and Joe Wallace |
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| Fed Official Supports Bonds Selloff | A top Federal Reserve official said the central bank should consider selling bonds from its $9 trillion asset portfolio to address high inflation and guard against harmful effects that can result from raising short-term rates above long-term rates.  Fed officials agreed last month on a statement of principles…  The principles said the central bank would rely on the Fed’s short-term benchmark rate as the primary way it adjusts its policy setting. The statement also called for primarily reducing the bond portfolio passively by allowing securities to mature without replacing them. | The Wall Street Journal | 02/15/2022 | Nick Timiraos |
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| America Takes Pole Position on Oil and Gas | While the Ukraine crisis was raising anxiety about Europe’s dependence on Russian natural gas, something remarkable happened. Last month, for the first time ever, U.S. exports of liquefied natural gas to Europe exceeded Russia’s pipeline deliveries. Russian exports, which normally account for about 30% of Europe’s gas use, dropped substantially because of Russian pricing.  The extraordinary growth in U.S. oil and gas production is a geopolitical and economic asset for the U.S. that contributes to global energy security.  U.S. is again the world’s top oil producer – almost 20% above the other two largest producers, Saudi Arabia and Russia – and the world’s top natural-gas producer.  The global oil market, which was drowning in oversupply less than two years ago, has tightened dramatically as the world emerges from Covid shutdowns.  U.S. exports of LNG and oil have been welcomed by countries like Japan and South Korea and have bolstered their energy security and deepened their relationship with America. | The Wall Street Journal | 02/15/2022 | Daniel Yergin |
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| Americans Dial Back Inflation Expectations | The American public is projecting a moderation in future rates of inflation, for the first time in more than a year, the Federal Reserve Bank of New York said in its January survey of consumer expectations released Monday.  Respondents expect inflation a year from now to be at 5.8%, down from this 6% projection in December and the first moderation since October 2020. Three years from now, the public sees inflation at 3.5%, down from 4% in the previous month’s survey.  The New York Fed also said in its report that the year ahead expected home-price rise moved to 6% in January from 5.5% in December, while noting that expectations for the job market, income and spending were mostly stable last month. | The Wall Street Journal | 02/15/2022 | Michael S. Derby |
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| What’s News | ♦ U.S. stock indexes climbed, with the S&P 500, Nasdaq and Dow gaining 1.6%, 2.5% and 1.2%, respectively. Energy price slumped and bonds sold off. | The Wall Street Journal | 02/16/2022 |  |
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| The Fed’s Slow Pivot To Tackling Inflation | During the first year of the pandemic, Federal Reserve Chairman Jerome Powell earned a reputation as a monetary dove, rolling out innovative policies aimed at preventing a financial and economic meltdown.  Today, he is changing into a hawk willing to be equally improvisational to tame inflation, now running at a 40-year high of 7.5%.  When the labor market healed rapidly and high inflation emerged as the bigger threat, he and his colleagues were caught by surprise.  No Fed chairman since Paul Volcker in the early 1980s has had to grapple with inflation this high. The risk for Mr. Powell and the nation is that his fight against inflation will cause a new recession, as Mr. Volcker’s did. Historically, the Fed hasn’t been able to curb inflation without a recession.  Unemployment peaked at 14.7%. In August 2020, Mr. Powell led his colleagues to adopt a framework designed to address a problem that had long dogged the Fed and that the pandemic threatened to worsen inflation running persistently below the 2% target.  Mr. Powell and his colleagues were slow to revise their forecasts for growth, inflation and interest rates after President Biden signed a $1.9 trillion fiscal stimulus bill into law in March 2021… | The Wall Street Journal | 02/16/2022 | Nick Timiraos |
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| Stocks Advance as conflict Fears Abate | The S&P 500 climbed 69.40 points, or 1.6%, to 4471.07 Tuesday, snapping a three-day losing streak. The blue-chip Dow Jones Industrial Average gained 422.67 points, or 1.2%, to 34988.84, while the Nasdaq composite added 348.84 points, or 2.5%, to 14139.76.  Oil prices dropped from the eight-year high they hit Monday. Brent crude, the international benchmark, lost $3.20 a barrel, or 3.3% to $93.28. Benchmark European natural-gas prices slumped 3.4%.  Yields on benchmark U.S. 10-year Treasury notes rose to 2.044%, the highest settlement value since July 2019.  Investors continue to assess rising inflation as they look ahead to the Federal Reserve meeting in March.  Earnings season continues. | The Wall Street Journal | 02/16/2022 | Will Horner and Hardika Singh |
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| Demand, Inflation Push Up Retail Spending | U.S. shoppers spent more at the start of the year as the Omicron wave of Covid-19 started to recede and consumers absorbed a four-decade increase in prices.  Retail sales, a measure of spending at stores, online and in restaurants, rose by a seasonally adjusted 3.8% in January from the prior month, the Commerce Department said Wednesday.  That marked the strongest monthly gain in retail spending since last March when pandemic-related stimulus was being distributed to households. | The Wall Street Journal | 02/17/2022 | Harriet Torry |
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| Dow Falls Over 600 Points, Turning in Worst Day of 2022 | The Dow Jones Industrial Average dropped more than 600 points Thursday, its steepest one-day loss of 2022, as geopolitical tensions and the prospect of tighter monetary policy roiled markets.  The blue-chip index slid 622.24 points, or 1.8%, to 34312.03, its worst session on a points and percentage basis since November. The S&P 500 fell 94.75 points, or 2.1%, to 4380.26. the tech-focused Nasdaq composite Index dropped 407.38 points, or 2.9%, to 13716.72.  Nine of the 11 sectors in the S&P 500 declined, led by the technology and communication-services groups, which both fell about 3%.  The geopolitical tensions come as investors have already been grappling with high inflation and preparing for the Federal Reserve to raise interest rates this year. | The Wall Street Journal | 02/18/2022 | Gunjan Banerji and Anna Hirtenstein |
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| Prices Pressures Expected to Ease | President Biden’s top economic adviser on Thursday sought to ease lawmakers’ concerns about elevated inflation, saying that several factors in coming months should help slow a steep rise in consumer prices.  Inflation in January advanced at its fastest pace in nearly 40 years, as the consumer-price index – a measure of what consumers pay for goods and services – rose 7.5% from a year earlier. | The Wall Street Journal | 02/18/2022 | Amara Omeokwe |
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| Crisis Is Boon to U.S. Gas Industry | U.S. natural-gas producers and global commodity traders are emerging as some of the biggest beneficiaries of the surging energy prices spreading pain in Europe.  Falling supplies from Russia to Europe, as well as the threat of a Russian invasion of Ukraine, have elevated prices of the coveted fuel used to heat homes and generate electricity.  The price surge has been a boon for American suppliers of liquefied natural gas such a Cheniere Energy Inc. and Cameron LNG, which are supplying record amounts of the fuel to starved European markets. | The Wall Street Journal | 02/18/2022 | Benoit Faucon, Collin Eaton and Joe Wallace |
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| Frackers Hold Back Production As Global Oil Market Tightens | Three of the largest shale companies, Pioneer Natural Resources Co., Devon Energy corp. and continental Resources Inc., this week reported their highest annual profits in more than a decade for 2021.  All three said they would continue to limit production growth this year.  Global oil-production growth isn’t keeping pace with renewed demand as economies recover from the pandemic…  U.S. oil prices fell almost 1% Friday to $91.07 a barrel. | The Wall Street Journal | 02/19-20/2022 | Collin Eaton |
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| Sales Rise As Supply Of Homes Dwindles | Existing-home sales rose 6.7% in January from the prior month…  The housing market remains extremely competitive. Rising mortgage rates in recent weeks have prompted buyers to move quickly in case interest rates climb further…  Still, the shortage of homes on the market is holding back the number of sales, economists say.  The median existing home price rose 15.4% in January from a year earlier, NAR said, to $350,300. | The Wall Street Journal | 02/19-20/2022 | Nicole Friedman and Bryan Mena |
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| Stocks Finish Lower On Ukraine Tensions | U.S. stocks posted weekly losses Friday as the threat of an invasion of Ukraine and the uncertain path of monetary policy weighed on market sentiment.  The S&P 500 fell 1.6% for the week, bringing its losses this year to 8.8%. the Dow Jones Industrial average lost 1.9% for the week, while the tech-heavy Nasdaq composite retreated 1.8%.  War between Ukraine and Russia could prolong elevated inflation in developed economies by disrupting supplies of important commodities, said Hani Redha, a portfolio manager at PineBridge Investments. Russia is among the world’s largest suppliers of oil, a s well as the biggest exporter of wheat and a major producer of metals such as palladium, aluminum and nickel. | The Wall Street Journal | 02/19-20/2022 | Karen Langley and Caitlin Ostroff |
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| Russia Sends global Markets Down | Russian stocks, the ruble and European shares tumbled, while oil prices rose, as investors grew nervous at signs of escalation between Moscow and the West.  The yield on the benchmark 10-year U.S. Treasury note dropped 0.057 percentage point to 1.873%...  Investors worry that a war between Ukraine and Russia could prolong elevated inflation in developed economies by disrupting supplies of important commodities. | The Wall Street Journal | 02/22/2022 | Caitlin Ostroff |
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| Ukraine Tensions Power Gold-Price Streak | Escalating tensions between Russia and Ukraine have boosted gold prices to their highest levels since June.  Gold gained in 12 of the past 15 sessions, lifted by demand from investors nervous that an outbreak of war could spark losses in other investments.  “Investors are looking for geopolitical hedge,” said Matt Miskin, co-chief investment strategist at John Hancock Investment Management.  Further increases in tensions could send gold above its August 2020 record close of $2,051.50 within months. Mr. Mishkin said. | The Wall Street Journal | 02/22/2022 | Hardika Singh |
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| Cash Pours Out of Bonds and Into Stocks | Investors pulled nearly $160 billion from money-market funds and $17.5 billion from bond mutual funds and exchange-traded funds in the first seven weeks of the year…  The yield on the 10-year Treasury note eclipsed 2% earlier this month for the first time since mid-2019… | The Wall Street Journal | 02/22/2022 | Michael Wursthorn |
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| Inflation, Supply Delays Wallop Small Businesses | Small businesses are bearing the brunt of supply-chain pressures and rising prices, with many tapping their cash reserves or taking on debt just to compete with larger rivals. | The Wall Street Journal | 02/22/2022 | Ruth Simon and Gwynn Guilford |
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| Home-Price Rise Hit Record 18.8% in 2021 | The calendar-year increase was the highest since the index began in 1987.  Home sales climbed to a 15-year high in 2021.  A shortage of homes for sale led to bidding wars, pushing price growth to new highs.  First-time buyers are struggling to compete against each buyers and investors.  The average rate on a 30-year fixed-rate mortgage was 3.92%as of Thursday… | The Wall Street Journal | 02/23/2022 | Nicole Friedman |
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| What’s News | ♦ U.S. stocks dropped in a volatile session as tensions over Ukraine escalated. The S&P 500 fell 1%, pushing into correction territory, while the Dow and Nasdaq lost 1.4% and 1.2%, respectively. | The Wall Street Journal | 02/23/2022 |  |
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| What’s News | ♦ Oil, natural-gas and agricultural prices rose as the situation threatened to disrupt flows or natural resources from Eastern Europe to world markets. | The Wall Street Journal | 02/23/2022 |  |
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| Rising Tensions Increase Economic Risks  *Conflict Will Hurt Commodity Supply* | Russia is an important producer of copper and aluminum. Any difficulties getting those commodities to customers worldwide would cause fresh disruptions to strained supply chains.  Struggling to overcome a shortage of semiconductors, the automobile industry could face additional problems if Russia’s supply of palladium were to slow. The metal is used in catalytic converters. Russia’s MC Norilsk Nickel PJSC is the largest producer globally, accounting for between 25% and 30% of total output.  Along with Ukraine, Russia is a big producer of wheat, as well as key ingredients for fertilizers such as urea and potash. Reductions in the supply of these items likely would push food prices higher. | The Wall Street Journal | 03/23/2022 | Paul Hannon |
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| Rising Rates Curb Demand for Munis  *Yields on state and local debt have hit their highest levels since April 2020* | Over the past decade, with yields remaining fairly stable, even a small drop in a town’s credit rating could cause a relatively significant change in the price of its bonds.  Many now consider the prospect of rising rates a more immediate threat, reducing the appeal of outstanding debt by offering better returns on newly issued bonds.  Benchmark 10-year, triple-A general-obligation bonds were trading at 1.65% Friday…  The finances of America’s towns, counties and school districts are looking increasingly stable, with governments raking in revenue thanks to federal aid and the stimulus-fueled economic recovery. | The Wall Street Journal | 03/23/2022 | Heather Gillers |
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| U.S. Stocks Extend Slide Over Ukraine | The threat of war in Ukraine has added to uncertainty in global markets. The U.S. stock benchmark dropped 79.26 points, or 1.8%, to 4225.50, a d ay after closing down more than 10% from its Jan. 3 record following Russia’s deployment of solders in Ukraine’s Donbas region. The S&P 500 is now down 12% from its record.  The Dow Jones Industrial Average fell 464.85 points, or 1.4%, to 33131.76, while the technology-heavy Nasdaq composite retreated 344.03 points, or 2.6%, to 13037.49, its lowest closing level since May. | The Wall Street Journal | 02/24/2022 | Joe Wallace and Karen Langley |
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| Stocks, Commodities Gyrate After Moscow Begins Attack | Stocks f ell in the aftermath of the attacks on cities across Ukraine, while oil, gold and government bonds rose. Investors optimism grew, however, after President Biden in an afternoon address announced new sanctions on Russian elites… | The Wall Street Journal | 02/25/2022 | Hardika Singh, Anna Hirtenstein and Caitlin Ostroff |
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| Invasion Shakes Up the Global Economy | Financial markets reacted swiftly to the invasion, with stock markets in Europe dropping sharply and commodity prices soaring. The price of oil surged above $100 a barrel and prices for commodities supplied by Russia such as aluminum and nickel that are key inputs into the automotive industry also leapt.  Russia and Ukraine together make up a small slice of the world economy and represent a minor destination of exports for Europe or the U.S. However, Russia is a major supplier of oil, natural gas and other commodities.  Wheat prices in the U.S. rose to their highest levels since July 2012 on Thursday.  As prices for energy and other commodities are driving global inflation higher, a disruption of supplies from Russia and Ukraine could push prices even higher and weaken the global economy, particularly in Europe  An invasion also complicates the challenges facing the world’s major central banks, including the Federal Reserve and European Central Bank. They have been struggling to tame inflation without squelching the recovery from the pandemic.  Economists expect central banks to withdraw their stimulus measures more gradually than they would have had the invasion not taken place.  The EU does have options other than Russian gas, including liquefied-natural gas from the U.S. and Qatar. | The Wall Street Journal | 02/25/2022 | Paul Hannon |
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| Higher Prices Limit Impact of Infrastructure Measure | Rising prices and snarled supply chains are poised to blunt the impact of the $1 trillion infrastructure law Congress passed with bipartisan support last year.  Elevated costs for materials and labor are already pushing contractors to charge more for construction projects, government data show, increases that economists and industry officials say could reduce the number of infrastructure projects the new federal money can finance.  The cost of construction projects for government rose 13% in January compared with a year earlier…  While experts expect that prices for construction materials will eventually moderate, wage gains could prove more enduring.  Average hourly wages in the construction industry rose roughly 5% in January compared with a year earlier, according to Labor Department data.  The higher prices may affect the decisions state and local governments make. If prices continue to rise, officials may prefer projects with shorter timelines or projects that rely less on volatile commodities such as steel. | The Wall Street Journal | 02/25/2022 | Andrew Duehren |
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| Yields Fall as Investors Flee Risk | U.S. government bond yields fell Thursday as investors sought out haven assets following the Russian attack on Ukraine.  The yield on the benchmark 10-year Treasury note finished Thursday’s session at 1.969%, according to Tradeweb, down from 1.976% Wednesday.  A recovering labor market and high inflation should motivate the Fed to raise interest rates through the end of the year, but in the near-term, Treasury yields will be stuck trading between geopolitical conflict and strong fundamentals, said Gennadiy Goldberg, senior U.S. rates strategist at TD Securities. | The Wall Street Journal | 02/25/2022 | Sebastian Pellejero |
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| Invasion Holds Long-Run Lessons for Investors | Volatility is likely to remain extreme as the turmoil continues and sanctions ramp up.  Tempting as big short-term price swings are to the market’s gamblers, investors should pay close attention to the long-run shifts that Russia’s move will intensify because they probably mean more inflation and slower growth. They come in three parts:  Military spending reached its lowest as a share of the global economy in 2018…  The bigger picture is that more military spending means less spending on other parts of the economy.  Less globalization is a natural result of a new Cold War, and a major challenge. Europe is reliant on Russia for natural gas, and Russia and Ukraine together produce one-quarter of the world’s wheat…  China is the world’s biggest exporter and almost every supply chain relies on Chinese sourcing. Breaking the rest of the world’s dependence on Russia, let along China, is a multidecade project.  Geopolitics is scary again.  Geopolitical tension has a tendency to spread. | The Wall Street Journal | 02/25/2022 | James Mackintosh |
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| Global Economy Suffers a Fresh Shock | Russia’s invasion of Ukraine threatens to restrict global energy supplies, with the resulting rise in oil and natural-gas prices likely to hit Europe hard and potentially ripple out to the U.S. and other global markets.  Russia is also a big player in global markets for copper, aluminum and palladium. Disruptions in Russia’s production or delivery of those products could throw off supply chains for catalytic converters in cars, capacitors used in cellphones and even dental crowns.  A supply shock happens when the offerings of goods and services are suddenly cut off from the marketplace.  Moreover, households lose purchasing power and may pull back spending in other areas.  Energy-supply shocks were a central feature of inflation during the 1970s, when OPEC nations cut off oil supplies to the West.  Compounding the challenge, Russia also exports a bout 23 billion cubic feet of gas a day, about 25% of global trade, and 85% of that gas goes to Europe. | The Wall Street Journal | 02/26-27/2022 | Jon Hilsenrath |
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| What’s News | ♦ U.S. consumer spending rose a seasonally adjusted 2.1% in January from the previous month, rebounding from a revised 0.8% decline in December. | The Wall Street Journal | 02/26-27/2022 |  |
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| Stocks Stage Big Rally To Finish Wild Week | The stocks market capped a turbulent week by rallying Friday… | The Wall Street Journal | 02/26-27/2022 | Michael Wursthorn and Joe Wallace |
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| Market Playbook Is Upended | Global markets for everything from stocks to oil to wheat are recording some of the most extreme price swings in decade, a sign of investor unease over unpredictable economic and political dynamics.  The geopolitical crisis threatens to crimp economic growth in Europe at a time inflation is at a 40-year high and the Fed is poised to raise interest rates for the first time since 2018.  The S&P 500 suffered its first correction – a drop of more than 10% from a recent high – in two years, while Russian stocks recorded a historic crash, dropping by a third. Oil prices crossed $100 for the first time since 2014, and wheat hit the highest level since 2012. Commodities like nickel and aluminum soared as well.  The S&P 500 eked out a 0.8% gain after failing a much as 5.4% during the week, the biggest weekly comeback since September 2008.  The Nasdaq is down 12% in 2022; the S&P 500 is off 8%.  By one measure, valuations for S&P 500 stocks fell below their five-year average for the first time since 2020… | The Wall Street Journal | 02/28/2022 | Gunjan Banerji |

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