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| **RESOURCE LOG – MARCH 2023** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Government ‘Picking Winners’ Holds Risks | The rollout of the Federal $53 billion semiconductor subsidy program dubbed Chips on Tuesday marks a historic embrace by the U.S. of “industrial policy” – the explicit use of government resources to foster favored sectors.  Such reservations are fading. Geopolitical competition, a pandemic-driven attention to supply shortages, and the transition to zero-carbon energy have governments everywhere putting their thumbs on the scale of industrial development. | The Wall Street Journal | 03/01/2023 | Greg Ip |
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| Stocks Closed February With Declines | Stock indexes dropped in a relatively quiet session, ending a down month on a disappointing note.  The Dow Jones Industrial Average slid 232.39 points, or 0.7%, to 32656.70. The S&P 500 ticked down 12.09 points, or 0.3%, to 3970.15, while the technology-focused Nasdaq Composite slipped 11.44 points, or 0.1%, to 11455.54. | The Wall Street Journal | 03/01/2023 | Caitlin McCabe and Alexander Osipovich |
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| Inflation Worries Drive Up Treasury Yields | Lingering inflation and fears of higher interest rates lifted the 10-year Treasury yield above 4% on Wednesday, marking a fresh acceleration for a historic bond-market rout.  Yields topped 4% Wednesday morning after a slightly stronger-than-expected survey of manufacturing activity.  The climb in yields has buffeted major stock indexes, with the S&P 500 losing around 2.6% in February. | The Wall Street Journal | 03/02/2023 | Matt Grossman |
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| Robust U.S. Labor Market Shows Fresh Signs of Cooling | Demand for U.S. workers shows signs of slowing, a long-anticipated development that is appearing in private-sector job postings even while government reports indicate the labor market is running hot.  Fed officials are raising interest rates in attempt to slow and reduce price pressures. If government reports move inline with the recruitment business, Fed officials could feel less pressure to move aggressively. | The Wall Street Journal | 03/02/2023 | Jon Hilsenrath and Bryan Mena |
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| S&P Ticks Down as Data Point to Factory Rebound | Stronger-than-expected manufacturing data Wednesday pushed stocks lower and lifted the 10-year Treasury yield to a level rarely seen in recent years, as investors weigh signs of persistent inflation.  The S&P 500 fell 18.76 points, or 0.5%, to 3951.39. The technology-focused Nasdaq Composite dropped 76.06 points, or 0.7%, to 11379.48.  U.S factory activity contract for the fourth month in a row, according to the Institute for Supply Management’s February survey, …  “There’s a growing realization that the economy hasn’t fully responded to the rate hikes so far,” said Thorne Perkin, president of multifamily office Papamarkou Wellner Perkin. | The Wall Street Journal | 03/02/2023 | David Uberti and Caitlin Ostroff |
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| Ocean Shipping Slumps as Pandemic Gains End | Global shipping executives are wrestling with plunging exports, falling rates and mounting suspense over a possible price war – a reversal of the soaring demand the industry saw during the pandemic.  Traffic from China’s ports has slowed significantly, empty containers are stacked six high and trucks with no cargo dot the highway leading to the major terminals.  China’s exports fell nearly 10% in December from a year ago, the third straight month of declines and the biggest drop since Beijing locked down the port city of Wuhan in early 2020.  The falling volumes have pushed global ship freight rates into a downward spiral, with the cost of sending a box from China to Los Angeles dropping to $1,238 this week from $15,600 this time last year, according to the Freightos Baltic Index. | The Wall Street Journal | 03/03/2023 | Costas Paris |
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| Strong Service-Sector Reports Lift U.S. Stocks | U.S. stocks gained Friday after data on the U.S. services sector showed its strongest activity since the summer.  The Nasdaq Composite jumped 226.02 points, or 2%, to 11689.01 as technology stocks recovered some of their losses from a dismal performance in February. The S&P 500 advanced 64.29 points, or 1.6% to 4045.64 and the Dow Jones Industrial Average gained 387.40 points, or 1.2%, to 33390.97.  All three indexes finished higher for the week, snapping a four-week losing streak for the Dow.  “Investors are getting comfortable that higher rates aren’t going to crush the economy,” said Michael Arone, chief investment strategist at State Street Global Advisors.  The S&P Global U.S. Services PMI index rose to 50.6 in February from 46.8 in January. That was the highest reading since June, and it pushed past the 50 threshold that signals expansion. | The Wall Street Journal | 03/04-05-2023 | Matt Wirz and Anna Hirtenstein |
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| Resilient Economy Vexes Central Banks | The global economy is showing vigor despite rising borrowing costs and elevated energy and food prices, a sign that central banks may need longer than anticipated to bring inflation under control.  Data from the U.S., China and Europe has shown surprising vitality in these regions’ economies since the start of 2023, confounding predictions from the World Bank and other economists that the global economy was set for one of its weakest year in recent decades. | The Wall Street Journal | 03/04-05/2023 | Paul Hannon, Harriet Torry and Stella Yifan Xie |
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| Alternatives to Stocks Emerge | Wall Street says it is done with TINA.  For years after the 2008 financial crisis, investors held on to the belief that “there is no alternative” to stocks. Bond yields had hit rock bottom.  After falling 19% in 2022, the S&P 500 has rebounded over 5% this year. The yield on the 10-year U.S. Treasury note is at 3.962% and crossed 4% last week for the first time since November.  …said David Lefkowitz, head of equities Americas at UBS Global Wealth Management. “Now you can actually get a yield in fixed income.”  The firm has been advising clients to look beyond U.S. stocks and consider shifting more money to areas such as emerging-market assets as well as investment-grade bonds. | The Wall Street Journal | 03/06/2023 | Akane Otani |
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| It’s a Confusing time for Investing | …”no landing” with superlow unemployment forever or a hard landing and recession – are both plausible.  The gap between the best and the worst U.S. real GDP forecasts collated by Consensus Economics is higher now than at any time since 2020, with a high for growth in two years of 2.2% and a low that would see a 0.7% shrinkage.  ♦ Diversity and accept the low long-term expected returns the market is offering. A standard 60% stocks, 40% bonds portfolio will very occasionally do terribly, as last year, if everything goes badly. But most of the time the bonds offer a cushion against bad outcomes…  ♦ Take a view. If you believe recession is a sure things and the Fed’s done far too much already, load up on bonds. | The Wall Street Journal | 03/06/2023 | James Mackintosh |
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| Fed Explores Faster Rate Increases  *Stock prices decline as Powell opens door to a half-point rise in March to help cool economy* | Mr. Powell’s comments to lawmakers Tuesday laid the groundwork for a notable shift in tactics to reduce price pressures. He said hotter inflation and hiring could lead central-bank officials to alter their recently adopted strategy of raising rates in smaller quarter-point increments. | The Wall Street Journal | 03/08/2023 | Nick Timiraos |
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| Chinese Exports Drag on Recovery | Exports from China fell 6.8% in the first two months of 2023from a year earlier, extending a string of year-over-year declines stretching back to October and complicating Beijing’s effort to juice an economy still reeling from three years of stringent ‘zero Covid’ rules. | The Wall Street Journal | 03/08/2023 | Source: China’s customs bureau |
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| Stocks Sink on Powell’s Rate Warning | The Dow Jones Industrial Average dropped nearly 600 points on Tuesday after Federal Reserve Chair Jerome Powell said the central bank would likely lift interest rates more than previously expected to fight inflation and cool down the economy.  The blue-chip index fell 574.998 points, or 1.7%, to 32856.46. The S&P 500 dropped 62.05 points, or 1.5%, to 3986.37. the technology-focused Nasdaq Composite retreated 145.40 points, or 1.2%, to 11530.33.  The declines were broad: 29 of the 30 stocks in the Dow declined, as did all 11 sectors in the S&P 500. | The Wall Street Journal | 03/08/2023 | Joe Wallace and David Uberti |
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| Short-Term Yields Hit Milestone | Especially sensitive to changes in the near-term interest-rate outlook, short-term Treasury yields jumped immediately after the text or Mr. Powell’s congressional testimony was released in the morning. They then added to those gains even as yields on long-term Treasurys gave up some of theirs.  As longer-term yields held relatively stable, the two-year yield also closed 1.037 percentage points above the yield on the 10-year Treasury note…  Tuesday’s moves in the bond market indicated that investors believe Mr. Powell that interest rates will rise higher than previously expected over the coming months. | The Wall Street Journal | 03/08/2023 | Sam Goldfarb and Matt Grossman |
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| U.S.’s Largest Banks Lose billions in Value | Investors dumped shares of SVB Financial Group and a wide swath of U.S. banks after the tech-focused lender said it lost nearly $2 billion selling assets following a larger-than-expected decline in deposits.  The four biggest U.S. banks lost $52 billion in market value Thursday.  Thursday’s rout is another consequence of the Federal Reserve’s aggressive campaign to control inflation. Rising interest rates has caused the value of existing bonds with lower payouts to fall in value. Banks own a lot of those bonds, including Treasurys, and are now sitting on giant unrealized losses. | The Wall Street Journal | 03/10/2023 | Jonathan Weil and Ben Eisen |
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| Stocks Sink Before Key Jobs Data | Stocks fell Thursday after jobless claims showed that the labor market is still strong, complicating the picture for the Federal Reserve’s rates path.  The Labor Department said Thursday that workers filings for U.S. unemployment benefits jumped more than 10% last week. But jobless claims are still historically low as demand for labor outstrips the number off people looking for work.  In the U.S., stock and bond prices could rally if Friday’s report shows that the economy added fewer jobs than expected , said Jack Janasiewicz, portfolio manager at Natixis Investment Managers Solutions. | The Wall Street Journal | 03/10/2023 | Charley Grant and Caitlin Ostroff |
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| Tech Bank Fails, Rattles Markets  *Startup-focused lender Silicon Valley is taken over by FDIC, dragging down financial stocks* | Silicon Valley Bank collapsed Friday in the second-biggest bank failure in U.S. history after a run on deposits doomed the tech-focused lender’s plans to raise fresh capital.  The Federal Deposit Insurance Corp. said it has taken control of the bank via a new entity it called Deposit Insurance National Bank of Santa Clara. All the bank’s deposits were transferred to the new bank, the regulator said.  The bank is the 16th largest in the U.S., with some $209 billion in assets as of Dec. 31…  The bank’s troubles have dragged down the industry and unnerved stock investors overall. The blue-chip Dow Jones Industrial Average fell 345.22points, or 1.1%, to 31909.64. The S&P 500 closed down 56.73 points, or 1.4%, while the Nasdaq composite lost 199.47 points, or 1.8%.  All S&P 500 sectors closed lower, and the broad-based index had its worst week since September.  Treasury yields tumbled, with the yield on the 2-year note dropping 0.314 percentage point to 4.586%, its largest single-day decline since September 2008. | The Wall Street Journal | 03/11-12/2023 | Rachel Louise Ensign, Corrie Driebusch and Meghan Bobrowsky |
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| Hiring, Economy Show Surprising Resilience | Robust hiring in February added to resent evidence the economy got off to a strong start this year, despite rising interest rates aimed at slowing growth and high inflation.  The unemployment rate rose 3.6% last month from January’s 3.4% as more people sought work. | The Wall Street Journal | 03/11-12/2023 | Sarah Chaney Cambon |
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| U.S. Takes Steps to Stem Bank Fallout | The measures, which include guaranteeing all deposits of SVB, were designed to shore up wavering confidence in the banking system.  Regulators they had taken control of Signature Bank, one of the main banks for cryptocurrency companies, on Sunday. The New York bank’s depositors will be made whole, officials said.  The Fed and Treasury separately announced they would use emergency-lending authorities to make more funds available to meet demands for bank withdrawals, an additional effort to prevent runs on other banks.  Officials took the extraordinary step Sunday of designating both SVB and Signature Bank as a systemic risk to the financial system… | The Wall Street Journal | 03/13/2023 | Nick Timiraos, Andrew Ackerman and Andrew Duehren |
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| How Silicon Valley Turned on Its Financier | Silicon Valley had turned on Silicon Valley Bank.  By the time the lender closed for business Thursday, depositors had attempted to withdraw $42 billion. The Federal Deposit Insurance Corp. seized the bank before it could open Friday morning. It was the second biggest bank failure in U.S. history. Only the 2008 collapse of Washington Mutual Inc. was bigger.  It took four decades to build Silicon Valley Bank and its parent company, SVB Financial Group, into the startup world’s pre-eminent financier. It took 36 hours to dismantle it. | The Wall Street Journal | 03/13/2023 | Ben Foldy, Rachel Louise Ensign and Justin Baer |
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| Falling Energy Bills Boost Economies | Energy prices are roiling the global economy for the second time in a year.  This time, it’s good news. Plunging oil and natural-gas prices are pumping up economic growth, putting money into consumers’ pockets, boosting confidence and easing pressures on government budgets.  The windfall for households, businesses and governments is offsetting higher borrowing costs as central banks push up interest rates to cool historically high inflation.  The price of a barrel of oil has fallen by more than a third since the middle of last year, to about $77 from $121, below its prewar level…  Consumer confidence has rebounded strongly on both sides of the Atlantic in recent months… | The Wall Street Journal | 03/13/2023 | Tom Fairless |
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| What’s News | ♦ China poses an “epoch-defining systemic challenge” to the U.K. and allies, British Prime Minister Rishi Sunak said, as the U.K. government said it would spend an extra $6 billion on its nuclear-armed submarine fleet and replenishing munitions stock-piles to bolster support for Ukraine and deter an increasingly assertive Beijing. | The Wall Street Journal | 03/13/2023 |  |
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| Dividend Stocks Lose Favor In High-Yield Environment | There were just 34 stocks in the S&P 500 with a dividend yield above that on the six-month Treasury bill as of Friday, according to Birinyi Associates.  The six-month yield settled at 5.116%, according to Dow Jones Market Data.  That is a dramatic shift from much of the past decade when interest rates were near zero and hundreds of stocks within the index offered higher yields.  The extra yield from a dividend-paying stock isn’t worth the added chance that a company will endure a business slump, they say, especially because of the uncertain economic outlook.  Stock and bond yield tumbled last week over worries about the health of the banking sector and a hotter-than-expected labor market. | The Wall Street Journal | 03/13/2023 | Charley Grant |
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| Dow, S&P Retreat on Volatile Day  *Yields fall as investors seek safety in bonds; expectations change on path of Fed policy* | Major U.S. stock indexes held relatively steady Monday while investors attempted to assess what newfound stress in the banking system would mean for Federal Reserve policy.  Regional bank stocks plunged, and investors piled into government bonds to seek safety after regulators took extraordinary measures over the weekend to limit the impact of the collapse of Silicon Valley Bank.  The S&P 500 closed down 5.83 points, or 0.2%, at 3855.76, for its third straight d ay of losses. The Dow Jones Industrial Average slipped 90.50 points, or 0.3%, to 31819.14. The tech-heavy Nasdaq Composite added 49.96 points, or .04%, to 11188.84.  Goldman’s economists said they still expect rate increases in May, June and July, ultimately pushing interest rates to 5.25% to 5.5%. | The Wall Street Journal | 03/14/2023 | Jack Pitcher and Dave Sebastian |
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| What’s News | ♦ Inflation eased in February but remained stubbornly high, presenting a challenge for Fed as it confronts how to slow the economy with higher rates at the same time it moves to stem banking problems. | The Wall Street Journal | 03/15/2023 |  |
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| China Demand Keeps OPEC on Target | The Vienna-based oil cartel also left its forecasts for economic growth unchanged. OPEC expects global growth of 2.6% this year, with China’s economy growing by 5.2%, while the eurozone and the U.S. economies growing by 0.8% and 1.2%, respectively.  After tumbling from the highs they hit following Russia’s invasion of Ukraine, oil prices have remained largely unchanged for most of this year. Brent crude, the international oil benchmark, has hovered at around $80 a barrel, though prices have been highly volatile.  On Tuesday, Brent crude oil fell 4.1% to $77.45 a barrel. | The Wall Street Journal | 03/15/2023 | Will Horner |
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| U.S. Consumer Still Looks Strong Despite Economic Headwind | With fears that Silicon Valley Bank and Signature Band fallout will stifle businesses’ access to credit, there is plenty of reason to worry about what lies ahead for U.S. consumers.  But for now, they are doing fine.  The Commerce Department on Wednesday reported that retail sales slipped a seasonably adjusted 0.4% in February from a month earlier.  That drop is probably best seen as a small payback for January’s jump, which was revised in Wednesday’s report to 3.2% from 3%.  The upshot is that at least through February, spending and the economy looks stronger than forecasters had supposed.  People also still have plenty of savings to draw on.  But owing to the collapse of Signature Bank and Silicon Valley Bank, the economy is facing a powerful new headwind. | The Wall Street Journal | 03/16/2023 | Justin Lahart |
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| What’s News | ♦ Credit Suisse said it would borrow up to 50 billion Swiss francs, from the Swiss central bank to shore up its liquidity after banking fears leapfrogged to Europe. | The Wall Street Journal | 03/16/2023 |  |
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| What’s News | ♦ A decline in retail sales and easing price pressures in February offered preliminary signs of a cooling U.S. economy. | The Wall Street Journal | 03/16/2023 |  |
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| What’s News | ♦ China’s economic activity rebounded in January and February as the country emerged from tough Covid-19 controls. | The Wall Street Journal | 03/16/2023 |  |
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| Natural-Gas Prices Take a Wild Turn  *Supply challenges contributed to the most volatile year on record, with no end in sight* | Last year was the most volatile on record for natural gas, boosting the cost to heat homes, generate electricity and manufacture economic building blocks such as fertilizer and steel. Prices in 2022 whipsawed from unseasonable lows to shale-era highs and back again. Benchmark gas futures, which determines what millions of Americans pay for heat and electricity, swung by at least 7% on 44days last year, the most since at least the early1990s…  The wild ride has continued this year, with 12 daily moves of 7% or greater.  Analysts, traders and big gas buyers expect this kind of instability to become the norm. Coal-fired power plants have been retired en masse without wind and solar farms ready to replace their output… | The Wall Street Journal | 03/16/2023 | David Uberti and Ryan Dezember |
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| Bank Woes Strain Markets  *Liquidity in Treasurys plunges, stock indexes fall as Credit Suisse triggers broader worry* | Liquidity, the capacity to trade quickly at quoted prices, has fallen sharply in two of the keystone markets, those for U.S. Treasurys and German Bunds, traders said.  Traders said the turmoil rippled into stocks earlier Wednesday and fueled a drop of more than 700 points in the Dow Jones Industrial Average at its session lows.  Investors in interest-rate futures markets saw on Wednesday a nearly 50% chance that Fed officials won’t increase rates at their March 21-22 meeting, up from 30% on Tuesday, according to data compiled by CME Group. That would leave the federal-funds rate between 4.5% and 4.75%.  Officials have raised rates at each of their past eight policy meetings, spanning 12 months…  The Dow industrials ended down 281 points at 31874.57, while the S&P 500 ended down 0.7%and the Nasdaq Composite rebounded to eke out a 0.05% gain. Investors again piled into the safety of government bonds, pulling the yield on benchmark 10-yeaer Treasurys down as low as around 3.39%, from 3.633%Tuesday, before it rebounded to 3.492%.  Trading overall was frenetic. Trading volumes in the Treasury market Wednesday appeared to be about twice typical levels, said Ian Lyngen, head of U.S. rates strategy at BMO Capital Markets.  The ICE BofA Move Index , a measure of volatility in the bond market, rose to the highest levels in at least three years, surpassing levels recorded during the March 2020 market crash.  One driver of the unruly trading: the significant changes over the past week in the outlooks for global growth and inflation, reflecting concerns that the U.S. bank mess and trouble in Europe might signal a sharp slowdown ahead.  Some traders said that the market moves were some of the wildest they had seen in their careers. Government bond prices have logged swings not recorded in decades when Paul Volcker was chairman of the Federal Reserve. | The Wall Street Journal | 03/16/2023 | Gunjan Banerji, Anna Hirtenstein and Eric Wallerstein |
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| Stocks Rebound on Banking Aid | The stock market has been relatively resilient amid the banking crisis. The S&P 500 and Dow are down less than 1.3% in March, and the Nasdaq has posted a modest gain of 2.3%. | The Wall Street Journal | 03/17/2023 | Hardika Singh and Anna Hirtenstein |
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| Tech Shares Serve As Haven For Now | Technology stocks have remained relatively insulated from the turmoil rattling financial markets. How long that lasts is anyone’s guess.  The tech-focused Nasdaq 100 index Thursday outperformed the S&P 500 for the 11th consecutive trading session, the longest such streak since a 14-day period that ended in July 2017, according to Dow Jones Market Data.  Within the S&P 500, the tech and communication-services group – home to the likes of Apple Inc., Microsoft Corp. and the parent companies of Facebook and Google - have climbed 5.2% and 5.7%, respectively…  Within the tech sector, semiconductor stocks have been above the biggest winners of late, partly because of the reopening of China’s economy. Intel Corp. and Advanced Micro Devices Inc. have added more than 20% this month. | The Wall Street Journal | 03/17/2023 | Hardika Singh |
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| Bigger Banks Move to Rescue First Republic | The biggest banks in the U.S. swooped in to rescue First Republic Bank with a flood of cash totaling $30 billion, in an effort to stop a spreading panic following a pair of recent bank failures.  Stocks climbed Thursday with the First Republic funding news. The S&P 500 added 1.8%, the Dow Jones Industrial Average gained 1.2%and the Nasdaq advanced 2.5%.  The pact is an extraordinary effort to protect the entire banking system from widespread panic… | The Wall Street Journal | 03/17/2023 | David Benoit, Dana Cimilluca, Ben Eisen, Rachel Louise Ensign and AnnaMaria Andriotis |
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| ECB Increases Rates, Despite Lender Woes | The European Central Bank raised interest rates by a half percentage point while promising emergency support for eurozone banks if needed, showing the policy makers’ balancing act as they seek to combat high inflation without aggravating strains in the financial system. | The Wall Street Journal | 03/17/2023 | Tom Fairless and Anna Hirtenstein |
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| Stocks Cap Volatile Week With Losses; Gold, Bitcoin Surge | U.S. stocks fell on Friday as investors remained on edge about the risk of further bank failures, even after efforts to rescue First Republic Bank and Credit Suisse.  The Dow Jones Industrial Average fell 384.58 points, or 1.2%, to close at 31861.98. the S&P 500 dropped 43.64, or 1.1%, to 3916.64. The technology-heavy Nasdaq Composite declined 86.76, or 0.7%, to 11630.51.  Gold hit an 11-month high. Investors bought U.S. government bonds while bitcoin – long touted as a hedge against instability in the traditional financial system – surged to its highest levels in months.  Despite Friday’s losses, the S&P and the Nasdaq ended the session with weekly gains of 1.4% and 4.4%, respectively, while the Dow turned in a small weekly loss. | The Wall Street Journal | 03/18-19/2023 | Caitlin Ostroff and Alexander Osipovich |
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| Banking Mess Raises Recession Risk | Main Street businesses and American families are likely to find it harder to get a loan because of turmoil in the banking industry, denting economic growth and raising the risk of a recession.  “the risk in terms of the spark from SVB is real,” said Greg Daco, chief economist at EY-Parthenon…  “Once there is stress in a particular set of institutions, then those institutions and those that have similarities will tend to be more cautious in their lending,” he said. “We’re likely to be in this state for a prolonged period.”  Smaller banks are crucial drivers of credit growth, the fuel that powers the economy. Banks smaller than the top 25 largest account for around 38% of all outstanding loans, according to Federal Reserve data. They account for 67% of commercial real estate lending.  Financial-system turmoil could tighten credit – and ultimately weaken the economy – via several channels. On a basic level, slumping stock and bond markets make funding investments more expensive. More directly, banks might try to heal their balance sheets faster than they otherwise would, said Daniil Manaenkov, economic forecaster at the University of Michigan. | The Wall Street Journal | 03/20/2023 | Gwynn Guilford |
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| UBS Agrees to Buy Rival Credit Suisse | UBS Group AG agreed to take over its longtime rival Credit Suisse Group AG for more than $3billion, pushed into the biggest banking deal in years by regulators eager to halt a dangerous decline in confidence in the global banking system.  Regulators also worried that Credit Suisse’s failure would make Switzerland a new source of contagion for global stress. Hours after the UBS deal, a group of central banks, including the U.S. Federal Reserve and the Swiss National Bank, announced an expanded dollar swap line, a type of international lending operation. They called the expansion “an important liquidity backstop to ease strains in global funding markets.” | The Wall Street Journal | 03/20/2023 | Margot Patrick, Ben Dummett, Dana Cimilluca and Patricia Kowsmann |
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| First Republic Looms Large for Regulators | As jittery markets open Monday, U.S. officials’ main concern is First Republic Bank, which required rescue funding last week from a group of the nation’s biggest banks. Whether it and other regional lenders stabilize in the coming days will dictate whether additional private of government assistance is needed for banks.  Customers have pulled some $70 billion in deposits, almost 40% of its total, according to people familiar with the matter. But the withdrawals stabilized Friday after the nation’s biggest banks came to its aid, the people said.  That slowdown and the $30 billion in new deposits from 11 of the biggest gave First Republic a chance to catch its breath and consider its future options. | The Wall Street Journal | 03/20/2023 | David Benoit and Andrew Ackerman |
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| What’s News | ♦ U.S. policy makers warily watched the rushed rescue of Credit Suisse, hoping its purchase would stem a slide in financial s tocks triggered by the recent collapse of two regional banks. | The Wall Street Journal | 03/20/2023 |  |
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| Stocks Gain on Hope for Banks  ***1.2% - the Dow’s rise, its largest in percentage terms since Jan. 6*** | U.S. stocks climbed Monday on hopes for stability in the banking sector after regulators engineered a deal for Swiss banking giant **UBS** to take over rival **Credit Suisse**.  The Dow Jones Industrial Average added 382.60 points, or 1.2%, to 32244.58, it’s largest one-day percentage gain since January 6. The S&P 500 rose 34.93 points, or 0.9%, to 3951.57. The tech-focused Nasdaq Composite climbed 45.02 points, or 0.4%, to 11675.54. The indexes declined Friday.  Investors are split in expecting what the Federal Reserve will do when it meets this week. | The Wall Street Journal | 03/21/2023 | Caitlin Ostroff and Heather Gillers |
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| Home Prices Ease From Highs | The first year-over-year drop in house prices in more than a decade and a dip in mortgage rates snapped a yearlong streak of declining monthly home sales,…  Sales of previously owned homes, which make up most of the housing market, rose 14.5% in February from the prior month but were down 22.6% from a year earlier,…  The national median existing-home sale price fell 0.2% in February from a year earlier to $363,000, the first year-over-year decline since February 2012. | The Wall Street Journal | 03/22/2023 | Nicole Friedman |
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| Crisis Stirs Jitters Over billions in Safe U.S. Securities | Agency mortgage bonds are widely held by banks, insurers and bond funds because they are backed by the mortgage loans from government-owned lenders Fannie Mae and Freddie Mac. The bonds are far less likely to default than most debt and are easy to buy and sell quickly, a crucial reason they were Silicon Valley Bank’s biggest investment before it foundered.  But agency mortgage-backed securities, like all long-term bonds, are vulnerable to rising interest rates, which pushed their prices down last year and saddled banks such as SVB with unrealized losses. | The Wall Street Journal | 03/22/2023 | Matt Wirz |
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| Powell Calls financial Sector Sound but Stresses Oversight | Federal Reserve Chair Jerome Powell said the U.S. banking system is “sound and resilient” but the central bank needs to strengthen supervision and regulation of the financial sector after the collapse of several banks this month.  The Fed raised interest rates by an expected quarter point. | The Wall Street Journal | 03/23/2023 | Gina Heeb |
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| What’s News | ♦ The SEC has told Coinbase that it plans to take enforcement action against the company, the crypto exchange said, escalating a crack down on digital-currency firms. | The Wall Street Journal | 03/23/2023 |  |
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| Stocks, Yields Fall After Fed Rate Move | Stocks investors took the decision warily, after Chairman Jerome Powell said in a news conference that the central bank will have to wait and see how badly turmoil in the banking sector will drag down inflation and hiring.  The S&P 500 lost 65.90, or 1.6%, to 3936.97. the Dow Jones Industrial Average fell 530.49, or 1.6%, to 32030.11, and the tech-heavy Nasdaq Composite lost 190.15, or 1.6%, to 11669.96. Short-term Treasury yields, which closely followed Fed policy expectations, declined as traders discounted how much more the Fed will raise rates going forward.  The move in bond yields was more decisive. The policy-sensitive two-year yield ended at 3.977%, down from 4.175% on Tuesday. The bench-mark 10-year yield settled at 3.497%, compared with 3.603% a day earlier. Yields f all as bond prices rise.  After a quarter-point increase, the Fed’s rate target stands at 4.75% to 5%. In projections, the Fed indicated the target could end 2023 barely above 5%, pointed to limited room for further increases this year. | The Wall Street Journal | 03/23/2023 | Matt Grossman and Will Horner |
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| Apple, Microsoft Rule Markets as FAANG Era Ends | The FAANG era is apparently over. The U.S. market is dominated by just two stocks now.  The combined weighting of Apple Inc. and Microsoft Corp. in the S&P 500has risen to 13.3%, the highest level on record, while the influence of other big technology stocks has waned of late.  Not since International Business Machines Corp. and AT&T in 1978have two stocks made up a greater share of the benchmark…  The big tech stocks began to diverge once worries about inflation began bubbling and the Federal Reserve started raising interest rates, dimming the allure of some growth stocks. | The Wall Street Journal | 03/23/2023 | Hardika Singh |
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| Freight-Rebound Hopes Are Fading As Retailers Show Caution on Growth  *Logistics companies are paring back their expectations for a surge in demand* | Freight demand started slowing midway through 2022 as consumer spending pivoted from goods to services and big retailers found themselves overstuffed with inventories following a pandemic-driven rush to fill store shelves. Transport companies from truckers to container shipping lines have pointed to an anticipated rebound in the second half of this year, saying they expected companies to return to more typical, prepandemic ordering patterns after working through excess inventories.  That prospect has looked more questionable as retail sales have declined and more retailers and their suppliers display caution as they remain focused on keeping inventories in check. | The Wall Street Journal | 03/23/2023 | Liz Young and Paul Berger |
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| The Economy Changed, Bank Regulation Didn’t | Interviews with past and current regulators and examiners, bankers and people close to the failed banks point to a combination of fast shifts in the economy plus regulators who adjusted only slowly, if at all, to those changes. Even when supervisors spotted problems, they didn’t move quickly or decisively enough to stop them from snowballing into a crisis.  At interest rates surged after year of quiescence, regulators didn’t fully anticipate the hit banks would take to the value of their bondholdings  A second factor was failure to appreciate the danger in bank dependence on deposits above the $250,000 federal insurance limit. | The Wall Street Journal | 03/25-26/2023 | Andrew Ackerman, Angel Au-Yeung and Hannah Miao |
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| Stocks Rise for Week Despite Bank Fears | A volatile week on Wall Street ended with major stock indexes higher despite lingering fear’s about the health of the banking system.  Bond yields fell as investors piled into Treasurys gold traded near record highs and on Friday investors loaded up on safe-haven stocks in sectors such as utilities, healthcare and consumer staples.  “Things are starting to follow the recession playbook,” said Bill Callahan, investment strategist at asset manager Schroders.  The S&P 500 gained 22.27 points, or 0.6%, to close at 3970.99 on Friday, while the Dow Jones Industrial Average added 132.28 points, or 0.4%, to end at 32237.53. The Nasdaq Composite increased 36.56 points, or 0.3#, to 11823.96.  For the week, the S&P 500 gained 1.4%, the Dow rose 1.2%and the Nasdaq index climbed 1.7%.  Shares of financial firms were mixed Friday with big U.S .institutions and European Banks falling while several regional banks continued to recover from the recent selloff.  Investors also sought shelter in U.S. government debt. That pushed the yield on 10-year Treasurys down to 3.379%, from 3.406% Thursday, capping the steepest three-week decline since March 202, at the start of the pandemic lockdown. Twp-year yields fell to 3.777%from 3.808%. | The Wall Street Journal | 03/25-26/2023 | Ryan Dezember and Joe Wallace |
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| Options Amplify Oil Volatility | This month, oil’s steepest weekly slide in almost three years accelerated as futures approached levels where many producers owned derivatives designed to lock in process. As declines mounted, banks and trading firms on the other side of those trades had to unload crude to mitigate potential losses, investors said, dragging benchmark prices to 15-month lows.  It is the latest example of how volatility in financial markets can spill into the real world., shaking an oil industry stretching from the shale basins of Texas to refineries in China. | The Wall Street Journal | 03/27/2023 | David Uberti, Bob Henderson and Joe Wallace |
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| What’s News | ♦ The economic fears gripping Wall Street have sparked outsize swings in oil prices, exacerbated by trading that investors and analysts say has little to do with the fundamental value of crude. | The Wall Street Journal | 03/27/2023 |  |
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| Eurozone Banks Throttle Back Lending  *Fears could intensify the trend, which was under way before this month’s failures* | European banks cut lending to businesses last month even before the demise of Silicon Valley Bank and Credit Suisse Group AG shook global financial markets.  Fears about the health of banks are likely to feed into even tighter lending in coming months.  Some economists think the decline in lending could accelerate in coming months as the strains in the banking system make banks even more cautious, giving greater force to the impact of the ECB’s rate rises on economic growth. | The Wall Street Journal | 03/28/2023 | Paul Hannon |
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| Dow Industrials Jump as Bank concerns Ebb | The Dow Industrial Average climbed as concerns about the health of the banking sector ebbed and First Citizens agreed to buy much of Silicon Valley Bank.  The blue-chip index rose 194.55 points, or 0.6%, to 32432.08, while the broad-based S&P 500 gained 6.54 points, or 0.2%, to 3977.53. The technology-heavy Nasdaq Composite slipped 55.12 points, or 0.5%, to 11768.84.  While concerns about the banking crisis heave eased, the ripple effects from the financial-system strains could lead on lending to households and businesses. The impact of tighter credit cycle and higher interest rates on consumers could bring the economy another step closer to a recession, according to Saira Malik, chief investment officer at Nuveen. | The Wall Street Journal | 03/28/2023 | Anna Hirtenstein and Vicky Ge Huang |
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| Home Prices Log Seventh Straight Monthly Decline | The S&P CoreLogic Case-Shiller National Home Price Index, which measures home prices across the nation, fell 0.2%in January compared with December on a seasonally adjusted basis. Prices have fallen for seven straight months, the longest streak of declines since 2012.  Housing markets in the western half of the U.S. have weakened the most in the past year, while many markets in the east are continuing to post year-over-year price gains. | The Wall Street Journal | 03/29/2023 | Nicole Friedman |
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| What’s News | ♦ Defaults and vacancies are rising at high-end office buildings, in the latest sign that remote work and rising interest rates are spreading pain to more corners of the commercial real-estate market. | The Wall Street Journal | 03/29/2023 |  |
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| Gold Prices Rally as Financial Fears Abound | Banking-sector turmoil and worries about the economy have gold prices hitting $2,000 a troy ounce for the first time in a year.  The most-actively traded gold futures contract has jumped about 8% to $1,984.50 this month, reaching an intraday high of $2,014.90 last week and on pace for the largest monthly percentage increase since July 2020. Prices hadn’t topped $2,000 since Russia’s invasion of Ukraine last spring.  The latest gains have been fueled by nervous investors sheltering in the haven after the collapse of Silicon Valley Bank and Signature Bank spurred fears that a banking crisis could drag the economy into recession. | The Wall Street Journal | 03/30/2023 | Hardika Singh |
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| Stocks Jump as Banking Fears Ease  *Technology, other growth sectors help to fuel broad-based market gains* | Stocks indexes rose, aided by easing global banking concerns.  The S&P 500 added 56.54 points, or 1.4%, to 4027.81. The Dow Jones Industrial Average gained 323.35 points, or 1%, to 32717.60. The tech-heavy Nasdaq composite rose 210.16 points, or 1.8%, to 11926.24. All of the S&P 500’s 11 sectors finished in the green.  “Anyone making near-term forecasts for the U.S. stock market right now needs a considerable amount of humility,” said Chris Brightman, chief executive officer and chief investment officer at Research Affiliates. “There always is uncertainty, but it’s especially higher today.”  Technology and other growth stocks, which tend to benefit most from a brighter economic outlook due to investors’ hopes for future profits, helped lead Wednesday’s charge.  Stocks have largely trotted higher this year: The Nasdaq Composite is set to gain 14% in the first quarter, snapping a yearlong losing streak. Investors optimism has persisted, despite bank failures and lingering macroeconomic issues.  Anxiety that rushed into the market during the recent banking turmoil seems to have leaked back out. The Cboe Volatility Index, or VIX, hovered around 19, a level indicative of complacency. | The Wall Street Journal | 03/30/2023 | Eric Wallerstein and Chelsey Dulaney |
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| Nasdaq Leads as Stocks Extend Rally to Second Day  *Ten of 11 S&P 500 sectors finished higher on hopes for pause in rate increases* | The tech-heavy Nasdaq Composite rose 87.24 points, or 0.7%, to 12013.47. The broad S&P 500 index added 23.02 points, or 0.36%, to 4050.83. The Dow Jones Industrial Average gained 141.43 points, or 0.4%, to 32859.03.  The S&P 500 ended at its highest close since mid-February.  Of the S&P 500’s 11 sectors, 10 were in the green, with consumer discretionary, information technology and real estate as top performers. Financial stocks lagged behind.  The yield on the 10-year Treasury fell 3.550% from 3.565% on Wednesday. The two-year yield edged higher to 4.097% from 4.078%. A bond’s yield rises as its price falls.  Oil prices increased. Brent crude, the international benchmark, gained 1.3% to $79.27 a barrel. | The Wall Street Journal | 03/31/2023 | Caitlin McCabe and Brenda León |
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| Bank Fears Hit Small Lenders, Clients | The 25 biggest U.S. banks gained $120 billion in deposits …  All the U.S. banks below that level shed $108 billion over the same period.  The panic has subsided, but the deposit swings could have long-lasting repercussions for the communities served by smaller banks.  Banks need deposits to make loans; if deposits fall, lending is almost sure to follow. | The Wall Street Journal | 03/31/2023 | David Benoit, Rachel Louise Ensign, Peter Rudegeair and Ruth Simon |

The overall share of Americans who are either very comfortable (13%) or somewhat comfortable (29%) with their emergency savings dropped to 42% in June from 54% two years ago. *CNBC, July 31, 2022*

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