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| **RESOURCE LOG – APRIL 2022** | | | | | | | | |
| **Article Title** | **Detail** | | **Publication** | | | **Date** | | **Author** |
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| Biden Taps Oil In Bid to Curb Prices at Pump | President Biden plans to tap as much as 180 million barrels of government oil reserves to help tamp down near-record-high fuel prices, an unprecedented government intervention into oil markets following Russia’s invasion of Ukraine.  The oil release – about a million barrels a day for six months, starting in May – would be the Biden’s administration’s third and by far the biggest-ever draw from the U.S.’s emergency stockpile of about 568 million barrels that sits underground along the Texas and Louisiana coasts. | | The Wall Street Journal | | | 04/01/2022 | | Timothy Puko, Tarini Parti and Collin Eaton |
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| Stocks Suffer Worst Quarter In 2 Years Amid War, Inflation | A head-spinning quarter came to a disappointing end, with major stock indexes suffering their worst performance in two years and other markets recording some of the most extreme moves on record.  Inflation has surged to its highest level in four decades, Russia’s invasion of Ukraine has rattled already stretched supply chains and the Federal Reserve has embarked on a rate-increase plan whose pace investors struggle to handicap.  All three major U.S. indexes declined more than 1.5% on Thursday, with losses accelerating in the final hour of the session as traders dumped stocks to end the quarter. The declines have dragged the S&P 500 down 4.9% over the past three months, snapping a seven-quarter streak of wins. The Dow Jones Industrial Average and Nasdaq composite have lost 4.6% and 9.1%, respectively, this year.  U.S. oil futures cleared $130 a barrel in early March… | | The Wall Street Journal | | | 04/01/2022 | | Gunjan Banerji |
|  |  | |  | | |  | |  |
| What’s News | ♦ The average rate for a 30-year fixed-rate mortgage jumped to 4.67%, Freddie Mac said, marking the weekly figure’s highest reading since December 2018. | | The Wall Street Journal | | | 04/01/2022 | |  |
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| What’s News | ♦ Inflation reached a 40-year peak in February, according to the Fed’s preferred gauge, as the Commerce Department’s personal-consumption-expenditures price index climbed 6.4% from a year earlier. | | The Wall Street Journal | | | 04/01/2022 | |  |
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| Rally in Quarter For Commodities Is Best Since ‘90 | Commodities wrapped up their best quarter in more than 30 years after Russia’s invasion of Ukraine super-charged a rally in markets from oil to wheat and nickel.  At the same time, a sharp run-up in commodities prices has some investors and economists worried about inflation jumping even higher from here.  “When the supply and demand situation is tight and then you have another supply shock on top of that, it’s not surprising that prices s pike even further,” said Chris Burton, global head of commodities and portfolio manager at Credit Suisse Asset Management.  U.S. crude oil prices have climbed 33% to $100.28 a barrel since the end of last year and rose as high as $123.70 in early March, a level last seen in 2008.  The ripple extends last year’s rebound, which was driven by higher consumer demand for goods and services when the economy reopened after the Covid-19 pandemic…  The recent advance may even by attracting some investors who had shunned commodities in previous years. | | The Wall Street Journal | | | 04/01/2022 | | Hardika Singh |
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| Crypto Exchanges Told to Treat Customer Assets as Liabilities | Cryptocurrency exchanges will soon have to report the digital tokens they hold for customers on their balance sheets, according to Securities and Exchange Commission accounting guidelines released on Thursday.  The guidelines reflect SEC Chairman Gary Gensler’s warning that investors who own cryptocurrency through trading platforms like Coinbase global Inc. are effectively making unsecured loans to those companies. | | The Wall Street Journal | | | 04/01/2022 | | Paul Kiernan |
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| Bond Market Suffers Decline Not Seen in Over 40- Years | U.S. bonds’ worst quarter in more than 40 years has come to a close.  The Bloomberg U.S. Aggregate bond index – largely U.S. Treasurys, highly rated corporate bonds and mortgage-backed securities – returned minus 6% in 2022 through Wednesday, on track for the biggest quarterly loss since 1980.  Yields on short to medium-term Treasurys – which rise when their prices fall – have logged their biggest quarterly gains in decades, with the two-year yield rising the most since 1984 and the five-year yield the most since 1987.  The poor performance of bonds has robbed investors of a traditional haven when stocks and many other markets have been swinging sharply, thanks to factors including the Federal Reserve’s first interest-rate-increase since 2018 and the war in Ukraine.  Still, investors also expect rates to come back down quickly after reaching that level. Embedded in that view is a continued belief that inflation-now running at a 40-year high at 7.9% by one measure – will subside largely on its own as businesses increase the supply of goods and consumer spending slows due to the fading effects of emergency government-spending programs. Many investors also doubt the economy can handle 3% interest rates without slowing significantly.  In general, slowly rising bond yields are a “fantastic environment for bond investors” because it allows managers to use the cash flow from interest and principal payments to buy new bonds with higher yields, said Vishal Khanduja, fixed-income portfolio manager at Morgan Stanley Investment Management. However, a large rise in yields – and drop in prices – over just a few months makes it impossible to absorb losses that way. | | The Wall Street Journal | | | 04/01/2022 | | Sam Goldfarb |
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| China Stocks Had a Rough Quarter | As China struggles to boost consumer confidence and keep the economy humming, some major onshore stock indexes endured their toughest quarter since the country’s 2015 market crash.  The CSI 300 Index, which consists of the largest companies listed in Shanghai and Shenzhen, lost nearly 15% in the three months to March 31, while the 500-stock Shenzhen component Index dropped 18%. For both benchmarks, this was the biggest quarterly decline in percentage terms since the third quarter of 2015. | | The Wall Street Journal | | | 04/01/2022 | | Rebecca Feng |
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| Treasury Yields climb After Strong Employment Report | Yields on U.S. government bonds climbed Friday, aided by a strong jobs report, after a burst of quarter-end buying had driven them lower in recent sessions.  The yield on the benchmark 10-year U.S. Treasury note settled at 2.374%, according to Tradeweb, compared with 2.324% Thursday.  Short-term Treasury yields rose more than longer-term yields, reflecting expectations that the Federal Reserve could start raising its benchmark federal-funds rate in half-percentage-point increments in coming meetings in an effort to tame inflation.  The two-year yield settled at 2.430%, compared with 2.284% Thursday. It was the first time the two-year yield closed above the 10-year yield since 2019, …  Yields, which rise when bond prices fall, climbed in the overnight session. Shorter-term yields, especially, then took another leg upward…  Friday’s trading suggested that a tough period for bond investors may not be over after they got a reprieve in recent sessions – with the 10-year yield declining after reaching 2.5% in intraday trading… | | The Wall Street Journal | | | 04/02-03/2022 | | Sam Goldfarb |
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| Sanctions Sting Russian Economy | The survey of purchasing managers at Russian manufacturing companies conducted by data firm S&P Global also recorded sharp rises in prices and a big decline in new orders.  The firm’s survey of U.S. manufacturers pointed to a pickup in activity during March, while its eurozone survey indicated activity grew at a slower pace than in February. Its survey of Chinese factories showed a drop-in activity following fresh lockdowns to contain outbreaks of the covid-19 virus.  The Russian survey suggests Western sanctions and the mass exodus of Western businesses from the country are having their intended effect.  Sanctions and the decisions made by Western companies have deprived many Russian factories of the parts they need to make their products.  Economists expect Russia to suffer its deepest economic contraction since the early 1990s, when the collapse of the soviet Union led to steep falls in manufacturing that lasted several years. | | The Wall Street Journal | | | 04/02-03/2022 | | Paul Hannon |
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| What’s News | ♦ Major automakers reported a pullback in U.S. sales for the first quarter as a shortage of vehicles on dealership lots continued to hamper business and suppress buying activity. | | The Wall Street Journal | | | 04/02-03/2022 | |  |
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| Stronger Jobs Market Draws Back Workers | The U.S. labor market strengthened last month as the pandemic’s grip receded and more workers jumped back into the labor force.  Employers added 431,000 jobs in March…  The report marked the 11th straight month of job gains above 400,000, the longest such stretch of growth in records dating back to 1939.  The unemployment rate fell to 3.6% in March from 3.8% a month earlier, quickly approaching the February 2020 pre-pandemic rate of 3.5%, a 50-year low. Low joblessness is helping boost wages… | | The Wall Street Journal | | | 04/02-03/2022 | | Sarah Chaney Cambon |
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| Value Investing Is Back, but It Can Be Difficult to Pick the Right Fund | Value investing is coming back.  Over the past decade, growth stocks have outpaced value shares, which usually have lots of tangible assets relative to their market value. In those 10 years, the S&P 1500 composite Growth Index has an annualized total return of 16.4% through March 31, compared with 14,4% in the overall S&P 1500 and 11.9% for the S&P 1500 composite Value Index, according to S&P Dow Jones Indices.  “U.S. markets are inherently biased toward growth, with a heavy emphasis on technology stocks,” says Matthew Krajna, co-chief investment officer at Nottingham Advisors.  Recently, though, value has been having a moment and trouncing the richly valued, highflying growth stocks. The S$P 1500 value index is down just 0.2% over the past three months, while the S&P 1500 growth index is down 8.6%. Is it sustainable?  **The basics –**  What is a value stock? Simply put, one that has a low price-to-book ratio (P/B) – a measure of market cap relative to tangible assets. The lower the ratio, the deeper the value. Value strategies often overlap with dividend-focused income strategies – because many value stocks are more-established companies in traditional dividend-paying sectors such as financial services, consumer companies and healthcare. | | The Wall Street Journal | | | 04/04/2022 | | Ari I. Weinberg |
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| Biotech Stocks Enter Bear Territory | Biotech companies are having one of their worst stock-market runs in years, as rising interest rates, scientific setbacks and a slowdown in big buyouts batter the sector.  Over the past year, the boom turned into a biotech bear market. The SPDR S&P Biotech ETF, an equal-weighted index of biotech stocks, fell 19.7% in the first quarter of this year, compared with a 5% drop in the S&P 500.  Since last year, the rise in consumer price inflation and expectations for higher interest rates made investors less keen on risky companies such as biotechs that can go years burning through cash before they develop a promising drug or turn a profit, biotech investors and analysts say. | | The Wall Street Journal | | | 04/04/2022 | | Joseph Walker |
|  |  | |  | | |  | |  |
| Market Rebound Rests on a Shaky Foundation | The big questions for Wall Street: did March 14 mark the start of a durable rally, or is this merely a dead-cat bounce of the type that often occurs in bear markets? | | The Wall Street Journal | | | 04/04/2022 | | James Mackintosh |
|  |  | |  | | |  | |  |
| Technology Stocks Lead Indexes Higher | The tech-focused Nasdaq composite Index gained 271.05 points, or 1.9%, to 14532.55, while the S&P 500 added 36.78 points, or 0.8%, to 4582.64. The Dow Jones Industrial Average rose 103.61 points, or 0.3%, to 34921.88.  The indexes have rallied over the past three weeks after the Federal Reserve raised interest rates for the first time since 2018 in a bid to curb inflation. The S&P 500 and the Dow industrials are about 5% below their January highs, while the Nasdaq is off about 10% from November’s record.  A surge in prices for oil and other raw materials has contributed to the Fed’s plans to raise rates. However, as the Fed embarks on its lifting campaign, investors are worried that the removal of monetary stimulus and ultralow interest rates could threaten the rally in equities. | | The Wall Street Journal | | | 04/05/2022 | | Caitlin Ostroff and Hardika Singh |
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| Stocks Slip on Hawkish Fed Tone | Stock indexes declined as investors weighed the prospect of more assertive actions by the Federal Reserve to curb inflation.  The S&P 500 fell 57.52 points, or 1.3%, to 4525.12, a day after the indexes were pulled higher by rallying technology stocks. The tech-heavy Nasdaq composite lost 328.39 points, or 2.3%, to 14204.17. the Dow Jones Industrial Average slipped 280.70 points, or 0.8%, to 34641.18.  Fed governor Lael Brainard said at a conference that the central bank is committed to taking steps that will cut inflation this year, including by announcing a significant reduction in its $9 trillion asset portfolio next month.  By reversing its efforts to stimulate the economy through the purchase of Treasury and mortgage bonds, will help lift market interest rates and make stocks more expensive relative to less-risky assets, said John Lynch, chief investment officer at Comerica Wealth Management.  Before Tuesday’s selloff, the Nasdaq had climbed more than 15% since touching a 52-week low on March 14. The index is still off about 12% from November’s record.  Sanctions have already sent oil prices soaring above $100 a barrel and lifted prices for other commodities. | | The Wall Street Journal | | | 04/06/2022 | | Justin Baer and Will Horner |
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| Fed Signals a Faster Pace Of Rate Hikes, Bond Trims | Federal Reserve officials signaled they could raise rates by a half percentage point at their meeting early next month and begin reducing their $9 trillion asset portfolio as part of their most aggressive effort in more than two decades to curb price pressures.  Stocks fell and bond yields rose Wednesday amid expectations of a more aggressive Fed policy tightening process than previously anticipated. The yield on the benchmark 10-year Treasury note, which rises when bond prices fall, rose to 2.606%, a three-year high, from 2.554% on Tuesday and 2.409% on Monday. The D ow Jones Industrial Average closed down 0.42%, the Nasdaq sank 2.22% and the S&P 500 shed 0.97%. | | The Wall Street Journal | | | 04/07/2022 | | Nick Timiraos |
|  |  | |  | | |  | |  |
| Technology Stocks Lead the Retreat | The technology sector led stocks lower as investors digested more details about the Federal Reserve’s plan to raise interest rates.  The technology-focused Nasdaq Composite Index dropped 315.35 points, or 2.2%, to 13888.82. the S&P 500 lost 43.97 points, or 1%, to 4481.15, while the blue-chip Dow Jones Industrial Average fell 144.67 points, or 0.4%, to 34496.51.  “Many participants notes that one or more [half-percentage-point] increases in the target range could be appropriate at future meetings, particularly if inflation pressures remained elevated or intensified,” the minutes said.  On Tuesday, the S&P 500 fell 1.3% after Fed governor Lael Brainard said the central bank was strongly committed to curbing inflation.  He said big investors are largely sitting on the sidelines ahead of earnings season, which will provide indicators about which sectors of the economy are still growing amid a broad slowdown in the U.S., Europe and Asia.  In commodities, Brent crude futures fell $5,57, or 5.2%, to $101.07 a barrel. | | The Wall Street Journal | | | 04/07/2022 | | Joe Wallace and Scott Patterson |
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| Stocks Rally From Early-in-Day Blues  *Selloff in Treasurys deepens as yields rise to three-year high on interest-rate outlook* | In Treasury markets, the yield on the 10-year U.S. Treasury note settled at 2.654%, up from 2.606% on Wednesday. That is its highest level since March 2, 2019. Yields rise as prices fall. | | The Wall Street Journal | | | 04/08/2022 | | Caitlin McCabe and Paul Vigna |
|  |  | |  | | |  | |  |
| Shipping Interest Rates Start To Ripple Through Economy | Just look at mortgage rates. At the beginning of 2022, the average interest rate on a 30-year mortgage hovered above 3%. Today it stands at 4.72%, according to Freddie Mac.  The Federal Reserve, facing inflation that has climbed to its highest level in 40 years, has been signaling for months that these days of unfettered credit are numbered.  Treasury yields largely reflect investors’ expectations for short-term interest rates set by the Fed. When the Fed raises rates or signals it is about to, investors tend to sell government bonds, sending their yield higher. That is what is happening now, in dramatic fashion,  Economists expect higher rates to push some potential home buyers from the market and reduce demand.  A median American household needed 34.2% of its gross income to cover mortgage payments on a median-priced home in January, according to the Federal Reserve Bank of Atlanta. That is up from 29% a year earlier.  The average rate on a new-car loan with a five-year term reached 4.21% in early April, according to Bankrate.com, up from 3.86% at the beginning of the year.  The average yield on investments-grade corporate bonds, a measure of the cost of new borrowing for businesses with strong balance sheets, is now around 3.8%, up from 2.3% at the start of the year.  The average credit-card APR stood at 16.4% on April 6, according to Bankrate.com. It was 16.3% on Jan. 5. | | The Wall Street Journal | | | 04/09-10/2022 | | Orla McCaffrey, Sam Goldfarb and AnnaMaria Andriotis |
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| Stocks End Down for The Week; Bonds Fall | The broad stock-market gauge lost 11.93 points, or 0.3%, to 4488.28 Friday. The tech-heavy Nasdaq Composite declined 186.30 points, or 1.3%, to 13711.00. The blue-chip Dow Jones Industrial Average reversed early losses to close up 137.55 points, or 0.4%, to 34721.12.  All three major indexes ended the week with losses.  Meanwhile, the yield on the benchmark 10-year Treasury note jumped to the highest level since March 2019 as bond prices tumbled. | | The Wall Street Journal | | | 04/09-10/2022 | | Anna Hirtenstein and Gunjan Banerji |
|  |  | |  | | |  | |  |
| Stocks Rally Even As War Rages On, Oil prices Surge | Investors are confronting one of the most uncertain periods of their lifetime. Stocks are rallying anyway.  The S&P 500 rebounded 7.6% from its 2022 low on March 8, cutting its losses for the year to about 6% - roughly half of what they were weeks ago.  The anticipation of the Fed’s March rate increase stirred volatility for months as investors braced for the unwinding of stimulus that helped turbocharge stocks. But history shows that stocks typically rise after the central bank starts raising rates.  “The early stages of Fed tightening should not be seen at a negative for stocks, as equities tended to make new highs after the initial volatility,” a team of JPMorgan chase & Co. strategists led by Marko Kolanovic wrote in a note to clients Monday.  Deutsche Bank ‘s chief U.S. economist warned about a recession this year, fueled by aggressive tightening from the Fed.  U.S. job growth remains strong…  Investors point to other encouraging signs: Wages continue to grow. | | The Wall Street Journal | | | 04/11/2022 | | Gunjan Banerji and Caitlin McCabe |
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| Risk of Recession Appears to Grow | Economists surveyed by The Wall Street Journal this month on average put the probability of the economy being in recession sometime in the next 12 months at 28%, up from 18% in January and just 13% a year ago.  Economists slashed their forecast for growth this year. On average they see inflation-adjusted gross domestic product rising 2.6% in the fourth quarter of 2022 from a year earlier, down a full percentage point from the average forecast six months ago, though still higher than the 2.2% average annual growth rate in the decade before the pandemic.  The median economist in the survey projected that the Fed will take the federal funds rate’s midpoint range to 2.125% by the end of 2022, and then to 2.875% by December 2023 – close to the Fed’s own projections.  But they also expect inflation to remain stubbornly high – predicting, on average, a 7.5% rate in June 2022, edging down to a still-uncomfortable 5.5% by December.  While recognizing the rising risk of a downturn, a majority of economists – 63% - still think the Fed will be able to rein in inflation without triggering a recession – what economists call a “soft landing”. | | The Wall Street Journal | | | 04/12/2022 | | Gwynn Guilford and Anthony DeBarros |
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| What’s News | ♦ U.S. stocks fell as investors worried about the market’s outlook, with the S&P 500, Nasdaq and Dow sliding 1.7%, 2.2% and 1.2%, respectively. | | The Wall Street Journal | | | 04/12/2022 | |  |
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| Earnings Season to Test volatile Market | Inflation is making winners and losers of the companies reporting earnings in the coming weeks.  High prices are fattening the winners’ bottom lines – earnings expectations are sky-high for energy companies, for instance. The losers are saddled with higher costs that eat into their profits.  The S&P 500 has fallen 7.4% to start 2022 as investors prepare for the Federal Reserve to dial back its support of the economy in an attempt to control rising prices.  As U.S. corporations unveil their quarterly results, investors will search for signs of how businesses are coping with higher costs for everything from energy to labor. Those signals, coupled with clues a bout how managers expect their businesses to perform in the coming quarters, could help stocks recover some of their momentum 0 or add further stress. | | The Wall Street Journal | | | 04/12/2022 | | Karen Langley |
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| This Isn’t Putin’s Inflation | The White House was right about the consumer-price index, which rose 1.2% in March, the highest monthly rise since the current inflation set in. The price rise in the last 12 months hit 8.5%, the fastest rate in 40 years.  The timing reflects too much money chasing too few goods, owing mainly to the combination of vast federal spending and easy monetary policy.  The March surge means that real wages fell 0.8%, or a decline of 2.7% in the last year.  The inflation s urge calls for a policy shift to tighter money and less spending that fuels excess demand.  Even core inflation of 6.5% is more than three times the Fed’s target rate of 2%. | | The Wall Street Journal | | | 04/13/2022 | | Review & Outlook |
|  |  | |  | | |  | |  |
| Inflation Hits 40-Year High, Reaching 8.5% | The Labor Department said Tuesday that the consumer-price index – which measures what consumers pay for goods and services – rose last month at its fastest annual pace since December 1981, up from the 7.9% annual rate in February. There have been six straight months of inflation about 6%, well above the Federal Reserve’s average 2% target.  …and overall energy prices shot up 11% from the prior month.  Prices for groceries also continued to accelerate in March, rising 1.5% from a month earlier, while the cost increases for dining out moderated.  The so-called core price index, which excludes the often-volatile categories of food and energy, increased 6.5% in March from a year earlier – up from February’s 6.4% rise, and the sharpest 12-month rise since August 1982. | | The Wall Street Journal | | | 04/13/2022 | | Gwynn Guilford |
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| Commodity Market Swings Snarl Real World Business | Wild swings in futures markets are complicating business for the people and companies who actually produce and use natural gas, zinc or soybeans, to name a few. They are driving speculators and others from the markets, an exodus that has led in turn to even choppier trading and higher prices. Russia’s invasion of Ukraine has added to market disruption, especially in energy and grain sectors.  U.S. natural-gas prices have jumped 79% in 2022…  Oil has fallen about $23 a barrel from a recent high, but the benchmark U.S. price is still up 34% this year. | | The Wall Street Journal | | | 04/13/2022 | | Ryan Dezember |
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| Stocks Fall as Rate Fears Mount | The S&P 500 declined 15.08 points, or 0.3%, to 4397.45 after rising as much as 1.3% earlier in the session. The d ow Jones Industrial Average slid 87.72 points, or 0.3%, to 34220.36. The technology-heavy Nasdaq Composite fell 40.38 points, or 0.3% to 13371.51.  Money managers expect the readings will factor heavily into the Fed’s rate-rise decision at its May meeting, and many anticipate the central bank might increase rates by a half-percentage point. | | The Wall Street Journal | | | 04/13/2022 | | Matt Grossman and Caitlin McCabe |
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| JPMorgan Profit Slides 42% Amid Signs of Economic Risk | Chief Executive Jamie Dimon said the economy is strong and growing, citing double-digit growth in card spending, low delinquencies and healthy household and consumer balance sheets.  Mr. Dimon said that risk remains remote but has grown following Russia’s invasion of Ukraine and as inflation has hit its highest level in 40 years.  “these are very powerful forces, and those things are going to collide at one point,” Mr. Dimon said. “No one knows what’s going to turn out.”  A recession, he said is far from a sure things. “Is it possible? Absolutely,” he said. | | The Wall Street Journal | | | 04/14/2022 | | David Benoit |
|  |  | |  | | |  | |  |
| After Rapid Growth, Swift Reversal Possible | The economy could start to slow abruptly, for three reasons.  First, fiscal policy pushed demand up in both 2020 and 2021, through stimulus checks, enhanced unemployment insurance, money for state and local governments, an expanded child tax credit and forgivable business loans.  …nothing new is taking their place.  Fiscal support contributed 7.6 percentage points to inflation-adjusted gross domestic product in the first quarter of 2021…  Personal incomes, buoyed by government transfers through the end of last year, are growing much more slowly now.  This brings us to the second reason for a slowdown: Purchasing power has been sapped by inflation. Higher gasoline prices in particular, act just like a tax increase.  Meanwhile, though, consumers will be coping with a third headwind: rising interest rates. The Federal Reserve slashed rates to near zero when the pandemic hit in early 2020 and began buying trillions of dollars in bonds. The central bank stuck with both policies even as the economy came roaring back and inflation climbed.  The 30-year mortgage rate has reached 5.13%, the Mortgage Bankers Association reported Wednesday, up 2.1 points in the past six months – also the fastest since 1994.  Finally, demand has been so far above supply that a modest pullback might not affect production plans much, especially with inventories relatively low.  Nonetheless, some softening of demand seems inevitable.  Moreover, “the unusual strength of labor demand is mostly reflected in an unusually high level of job openings, not an excessive level of employment,” economists at Goldman Sachs notes this week.  Indeed, if higher interest rates and weaker real incomes serve mostly to trim excess demand, they may ease some of the pressure on supply chains that has fueled inflation. In that case, the Fed wouldn’t have to raise interest rates as much – also reducing the risk of recession. | | The Wall Street Journal | | | 04/14/2022 | | Greg Ip |
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| What’s News | ♦ The interest rate on the U.S.’s most popular mortgage hit 5% for the first time in more than a decade, extending a sharp rise that has yet to significantly slow the red-hot housing market. | | The Wall Street Journal | | | 04/15/2022 | |  |
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| What’s News | ♦ The EGB will continue to lag behind the Federal Reserve in tightening monetary policy despite rising inflation, Lagarde said. | | The Wall Street Journal | | | 04/15/2022 | |  |
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| Returns Will Be Lower. That’s OK. | With U.S. stocks off more than 7% and the bond market down almost 9% so far this year, many investors seem to feel they have to take more risk to catch up.  You often get rewarded for reckless risks and, even if you got punished, rising markets helped you recover quickly from your blunders. That won’t last forever.  “Alternatives” such as private equity, private debt, hedge funds and nontraded real estate have become so fashionable that investors are forsaking flexibility and low fees in order to buy them.  The glory days for approaches like these are probably over, says Antti Ilmanen, an investment strategist at AQR Capital Management in Greenwich, Conn.  The more highly valued your holdings are, the lower their return is likely to be down the road.  To make general judgments of how expensive stocks are, Mr. Ilmanen uses a modified version of a measure developed by Yale University economist Robert Shiller. Mr. Ilmanen’ s math indicates that U.S. stocks could return less than 3% annually, after inflation, over the next five years or more – among it lowest estimates ever. | | The Wall Street Journal | | | 04/16-17/2022 | | Jason Zweig |
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| What’s News | ♦ China’s central bank relaxed a key constraint on bank lending while keeping benchmark rates unchanged, steps that economists said will do little to spur growth. | | The Wall Street Journal | | | 04/16-17/2022 | |  |
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| Debt Concerns Grow in Developing World | The war in Ukraine is making it tougher for many emerging-market governments to make debt payments to foreign creditors, fueling concerns of potential crises that could shake markets and weaken the global economic recovery.  Many of these countries accumulated mountains of debt during the past decade while inflation and interest rates were low and in the past two years when Covid-19-related costs were climbing.  Now, from Islamabad to Cairo to Buenos Aires, government officials are struggling with rising import prices and debt bills on top of the continuing pandemic.  While the IMF isn’t forecasting a global debt crisis at this point, “it is very much the risk that we are very concerned about,” said Ceyla Pazarbasioglu, IMF director of strategy, policy and review.  Combined global borrowing by governments, corporations and households jumped by 28 percentage points to 256% of gross domestic product in 2020. That is a level not seen since the two world wars during the first half of the 20th century, she said. | | The Wall Street Journal | | | 04/18/2022 | | Yuka Hayashi, Jason Douglas and Chao Deng |
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| What’s News | ♦ U.S. utilities are planning their biggest spending increases in decades to upgrade aging grids, prepare for electric vehicles and make the transition to renewable energy, moves poised to further boost power costs as consumers face historic inflation. | | The Wall Street Journal | | | 04/18/2022 | |  |
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| Inflation – Proof Stocks in Demand | With consumer prices rising at their fastest pace in 40 years and stocks wobbly over the Federal Reserve’s plans to raise interest rates, investors are putting a premium on firms whose customers will accept price increases, happily or otherwise. They are trawling through an unsettled market, with the S&P 500 down 7.8% to start 2023 and the tech-heavy Nasdaq composite off 15%.  Least week, in a reprise of the reopening trade that has emerged at points throughout the Covid-19 pandemic, many traders decided that travel stocks were the play.  Oil prices soared with the Russian invasion of Ukraine, and the sector is expected to report rising profit margins for the first quarter. The utilities segment, the second-strongest-performing sector in 2022, is also projected to report higher profit margins.  Investors have been searching for clues that the surge in inflation is nearing a peak. | | The Wall Street Journal | | | 04/18/2022 | | Karen Langley |
|  |  | |  | | |  | |  |
| Car Prices Likely to Stay Elevated This Year | Consumers looking for some pricing relief on the dealership lot are going to have to wait, with the car shortage likely to last through the year and into next, auto-industry leaders predicted.  While car prices are easing off t heir record levels, they remain higher than normal. That isn’t expected to change because of depleted car lots, strong consumer demand and lower factory output. | | The Wall Street Journal | | | 04/18/2022 | | Mike Colias |
|  |  | |  | | |  | |  |
| Utilities Ready Upgrades Amid Green-Energy Shift | American utilities are planning their biggest spending increases in decades to upgrade aging grids, prepare for electric vehicles and make the transition to renewable energy -moves poised to further boost power costs as consumers face higher inflation.  The plans propose tens of billions of dollars in spending in the coming years to reduce carbon emissions, partly in response to state and federal mandates, and to replace aging infrastructure that has become more prone to failure.  Utilities are also preparing for higher electricity demand as customers increasingly adopt electric vehicles and become more dependent on the grid to charge them, in addition to replacing traditional furnaces and gas appliances with electric alternatives. | | The Wall Street Journal | | | 04/18/2022 | | Katherine Blunt |
|  |  | |  | | |  | |  |
| Selloff in Treasurys, Worst in Decades, Rattles Investors | Battered by high inflation readings and sharp messages from Federal Reserve officials about the need for interest-rate increases, bond prices have declined this year at a pace investors have rarely seen. In the first quarter, the Bloomberg U.S. Government bonds index returned minus 5.5%, its worst performance since 1980. This month, it has lost another 2.4%.  As of Thursday’s close, the yield on the benchmark 10-year U.S. Treasury note was 2.808%, its highest since late 2018 and up from 1.496% at the end of last year. Yields rise when prices fall. | | The Wall Street Journal | | | 04/18/2022 | | Sam Goldfarb |
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| China’s Lockdowns Jeopardize Economy | Signs are growing that the economy has been cooling rapidly in recent weeks as the highly transmissible Omicron variant of the coronavirus spreads across dozens of Chinese cities and prompts the harshest lockdowns since the earliest days of the pandemic in 2020.  The world’s second-largest economy reported Monday that gross domestic product in the first three months of the year increased 4.8% from a year earlier, better than the previous quarter and above economists’ lowered expectations. On a quarter-on-quarter basis, however, GDP growth slowed to 1.3% from the 1.6% of the previous quarter. | | The Wall Street Journal | | | 04/19/2022 | | Stella Yifan Xie |
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| Hot Economy, Rising Inflation: The Fed Has Never successfully Fixed a Problem Like This | Fed officials say they can curb that demand, causing employers to eliminate vacancies without laying off existing workers, and tamp down inflation without a recession – what economists would refer to as a “soft landing.”  “No one expects that bringing about a soft landing will be straightforward in the current context – very little is straightforward in the current context,” Fed Chairman Jerome Powell said last month. The central bank, he added, faces a “challenging task.”  The U.S. has had soft landings, too, most recently in 1994. Fed Chairman Alan Greenspan sharply raised rates to 6% in February 1995 from 3% one year earlier, and the unemployment rate kept going down. Unlike 1994, however, the Fed today is trying to reduce inflation that is already too high rather than prevent it from rising, as Mr. Greenspan did back then.  “There is plenty of room for businesses to reduce the number of job openings,” said Lael Brainard, a Fed governor awaiting Senate confirmation to become Fed vice chair-woman…  Between 2020 and 2021, federal spending rose from 21% of gross domestic product to 31% of gross domestic product…  These are the largest swings in federal spending since World War II…  Ms. Brainard said waning fiscal stimulus would help to restrain demand this time around, too.  **BUMPY LANDING** 11948-1955  Annual inflation dropped from 6.4% to -2.3%, rose to 8.1%, then fell back to zero. Economic output contracted twice, but the jobless rate only briefly touched 7%.  **ABORTED LANDING**  1970-1979  Inflation hit double digit levels in 1975, then again 1979. Unemployment marched higher and two recessions ensued.  **HARD LANDING** 1980-1986  Inflation retreated from 11.1% to less than 2% by 1986. Deep recession ensued and unemployment rose to more than 10%, but inflation was stamped out and the economy recovered.  **SOFT LANDING**  1993-1998  Inflation retreated gradually from 2.6% to 0.8%. Unemployment kept falling and the growth rate of output accelerated. | | The Wall Street Journal | | | 04/19/2022 | | Jon Hilsenrath and Nick Timiraos |
|  |  | |  | | |  | |  |
| What’s News | ♦ The IMF said it expects global economic growth to slow significantly this year as the repercussions of the Ukraine war spread, and further slashed its growth forecast for China to 4.4%. | | The Wall Street Journal | | | 04/20/2022 | |  |
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| Stocks Advance Broadly as Earnings Roll In | Stocks and government bond yields rose Tuesday as investors parsed the latest round of earnings reports for signs that corporate profits are holding up despite inflation.  Analysts expect profits from big U.S. companies to keep growing this year even as costs rise. That has bolstered the bullish case for equities even as investors are anxious over the Federal Reserve’s plans to raise interest rates to fight inflation.  The S&P 500 advanced 70.52 points, or 1.6%, to 4462.21. The Dow Jones Industrial Average added 499.51 points, or 1.5%, to 34911.20. the tech-heavy Nasdaq composite gained 287.30 points, or 2.2%, to 13619.66. It was the best d ay in a month for all three indexes. | | The Wall Street Journal | | | 04/20/2022 | | Will Horner and Karen Langley |
|  |  | |  | | |  | |  |
| What’s News | ♦ U.S. home prices soared 15% to a record in March while mortgage rates continued to rise rapidly, slowing home sales. | | The Wall Street Journal | | | 04/21/2022 | |  |
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| Floating-Rate Debt Bites Corporate Loans | Federal Reserve tightens monetary policy to tame inflation. Interest expense on floating-rate loans rise with interest rates, making them attractive to debt investors as an alternative to bonds, which pay a fixed coupon regardless of how high benchmarks climb.  Companies with heavier debt loads can find themselves running short on cash if their interest rates climb alongside wages and other operating expenses.  “It is one of the biggest concerns that we have and we have been tracking it in our portfolios since the end of last year,” said Somnath Mukherjee, head of investments at Lakemore Partners. | | The Wall Street Journal | | | 04/21/2022 | | Matt Wirz |
|  |  | |  | | |  | |  |
| Stocks Fall As Yields On Bonds Go Higher | Investors this year have had to weigh signs of solid economic activity against fears that the Federal Reserve will tighten monetary policy too quickly, potentially tripping up markets. Many credit stocks’ strong run over the past few years in part to extraordinary levels of monetary support from central banks.  With the Fed preparing to raise rates several more times this year and unwind its $9 trillion balance sheet, some money managers say they worry risky assets will struggle to hold on to the momentum of prior years.  The yield on the 10-year U.S. Treasury note jumped from 2.836% Wednesday to 2.917% Thursday, the highest level since December 2018. | | The Wall Street Journal | | | 04/22/2022 | | Joe Wallace and Akane Otani |
|  |  | |  | | |  | |  |
| Powell Signals Half-Point Hike in May | Federal Reserve Chairman Jerome Powell signaled the central bank was likely to raise interest rates by a half-percentage point at its meeting next month and indicated similar rate rises could be warranted after that to lower inflation.  A help-point increase would be the first such move since 2000.  The IMF said Tuesday that it expects global economic growth to slow significantly this year as the repercussions of the war in Ukraine spread world-wide.  The IMF expects the world’s economy to grow 3.6% this year, down from 6.1% lst year.  Many emerging-market economies that aren’t major commodity exporters and that took on bigger debt burdens after the pandemic in 2020 are increasingly vulnerable to a triple whammy of higher food and energy prices, supply-chain disruptions as China resumes lockdowns to contain new virus strains, and not tighter monetary policy from the Fed.  Europe, meanwhile, faces potentially severe fallout from Russia’s invasion of Ukraine and steps by the West to isolate Moscow with financial sanctions, Eurozone energy prices rose 12.5% in March from February and were 44.7% higher than a year earlier, according to the European Union’s statistics agency.  Mr. Powell warned of growing supply-and-demand imbalances in the U.S. labor market that some economists worry could fuel a wage-price spiral that drives inflation higher as workers bid up wages.  Today, wage growth is running at its highest levels in years and the labor market has tightened rapidly, with the unemployment rate falling to 3.6% in March from 5.9% last June. | | The Wall Street Journal | | | 04/22/2022 | | Nick Timiraos |
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| Mortgage Rates Rise, Hitting 5.11% | The average rate for a 30-year fixed-rate mortgage rose to 5.11%, mortgage-finance giant Freddie Mac said Thursday. The rate hit 5% last week for the first time since 2011, up from 3.22% at the beginning of 2022.  The monthly payment on a $405,000 home with an interest rate of 5% if 38.1% higher than the payment on a similarly priced home would have been a year ago, according to Realtor.com data.  With a 20% down payment, which would boost monthly mortgage payments by $481. | | The Wall Street Journal | | | 04/22/2022 | | Orla McCaffrey |
|  |  | |  | | |  | |  |
| Jobless Claims Stay Near 50-Year Low | Initial jobless claims, a proxy for layoffs, decreased to 184,000 last week from 186,000 a week earlier, the Labor Department said Thursday.  Jobless claims have hovered around half-century lows since late 2021 as the labor market has continued to improve during the economic recovery. | | The Wall Street Journal | | | 04/22/2022 | | Sarah Chaney Cambon |
|  |  | |  | | |  | |  |
| Earnings, Rate Worries Hit Stocks  *Dow’s percentage drop is biggest since 2020 as broad indexes fall for a third straight week* | Worries about slowing corporate earnings and the Federal Reserve’s plans to rapidly raise interest rates dragged the Dow industrials to their worst day since 2020.  The broad-based S&P 500 fell at least 1% for the third consecutive week, while the tech-focused Nasdaq composite Index lost at least 2% for a third straight week. Bond yields extended their gains, rising for three consecutive weeks.  Of companies that have reported so far, about 80% have beaten analyst expectations, according to FactSet…  Downbeat reports from healthcare and retail stocks, among others, contributed to Friday’s losses.  The Dow Jones Industrial Average posted its worst one-day percentage change since October 2020, losing 2.8%, or 981.36 points, to close at 33811.40. The S&P 500 dropped 121.88 points, or 2.8%, to 4271.78, while the Nasdaq composite fell 335.36 points, or 2.6%, to finish at 12839.29.  The recent rise in government-bond yields showed signs of steadying, with the yield on the 10-year Treasury note ending Friday at 2.905%, down two of the past three trading days.  On Thursday, Fed Chairman Jerome Powell gave investors a clear signal that the central bank is ready to tighten monetary policy more quickly and indicated that it was likely to raise interest rates by a half-percentage point at its meeting in May.  In commodities, Brent crude, the international benchmark for oil, fell $1.68 a barrel, or 1.6%, to $106.65. it fell 4.5% this past week. | | The Wall Street Journal | | | 04/23-24/2022 | | Hardika Singh and Caitlin McCabe |
|  |  | |  | | |  | |  |
| What’s News | ♦ Economic growth is slowing in large parts of the globe as businesses struggle to navigate the effects of Russia’s invasion of Ukraine, pandemic-prompted lockdowns in China and high inflation. | | The Wall Street Journal | | | 04/23-24/2022 | |  |
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| Bond Yields Burn Stock Highfliers | Yields on government bonds are catching up with expected inflation after years of lagging behind it, a threat to the speculative stock-market bets that proliferated in the era of rock-bottom rates and economic stimulus.  Traders closely track TIPS yields because they offer a measure of financial conditions, showing whether borrowing costs are rising or falling for businesses and consumers when accounting for the effects of inflation expectations.  Holders of TIPS are compensated as the consumer-price index rises, …  Often known as real yields, the yields on TIPS fell deeply negative at the start of the pandemic, meaning investors were guaranteed to lose money on an inflation-adjusted basis if they held the bonds to maturity. That helped power a surge in stocks by pushing investors toward riskier assets for better returns.  The rise in real yields is increasing the appeal of relatively safe investments, like government debt, while hurting the value of startups and companies with profits expected years in the future.  The yield on the benchmark 10-year Treasury is approaching 3% for the first time since 2018.  Rising rates increase corporate borrowing costs and offer investors an alternative means of earning decent returns, which can hurt stocks generally.  Wall Street strategists note that real yields remain low by conventional standards and have room to rise as the Fed lifts rates and inflation moderates. Many remain confident that a steady climb can avoid significantly disrupting companies or share prices. | | The Wall Street Journal | | | 04/27/2022 | | Julia-Ambra Verlaine |
|  |  | |  | | |  | |  |
| Venture Capitalists Flock to Crypto | Blockchain and crypto startups raised $9.2 billion through 461 equity deals globally in the first quarter of this year, according to CB Insights. The amount is 4.5% above the $8.8 billion raised in the prior quarter, and 155% above the year-ago quarter, according to the data provider.  Crypto deal-making is on the rise, whereas total venture funding in the first three months of this year experienced a quarterly drop of 19%, according to CB Insights, the largest percentage decline in about a decade.  A growing number of venture investors believe that the crypto opportunity is so large – perhaps as large as the internet – that they are creating new funds and dedicating investment team members to focus on the opportunity. | | The Wall Street Journal | | | 04/27/2022 | | Yuliya Chernova |
|  |  | |  | | |  | |  |
| Housing Prices Rose Sharply in February | The S&P CoreLogic Case-Shiller National Home Price Index, which measures average home prices in major metropolitan areas across the nation, rose 19.8% I the year that ended in February, up from a 19.1% annual rate the prior month.  February marked the highest annual rate of price growth since August.  “the macroeconomic environment is evolving rapidly and may not support extraordinary home-price growth for much longer,” said Craig Lazzara, managing director at S&P Dow Jones Indices. | | The Wall Street Journal | | | 04/27/2022 | | Nicole Friedman |
|  |  | |  | | |  | |  |
| Inflation, Covid-10, Earnings Woes Hit Market | Stocks slid for much of Tuesday, dropping further late in the session. The S&P 500 closed down 2.8%, or 120.92 points, to 4175.20, a day after tech stocks led major indexes higher. The Dow Jones Industrial Average declined 2.4%, or 809.28 points, to 33240.18, while the Nasdaq composite lost 4%, or 514.11 points, finishing at 12490.74.  All three indexes are on track to lose at least 4% this month, with the technology-heavy Nasdaq – which on Tuesday posted its largest one-day percentage decline since September - down more than 12% in April. The small-cap Russell 2000 finished the day at its lowest close since December 2020.  Fears about a resurgence of Covid-19 cases in China, and strict lockdowns imposed to fight the outbreak there, have heightened investors’ concerns… | | The Wall Street Journal | | | 04/27/2022 | | Orla McCaffrey and Will Horner |
|  |  | |  | | |  | |  |
| What’s News | ♦ China’s Xi has told officials to ensure the country’s economic growth outpaces the U.SA.’s this year, people familiar with the discussions said, even as its economy sags under a Covid-19 outbreak. | | The Wall Street Journal | | | 04/27/2022 | |  |
|  |  | |  | | |  | |  |
| Stocks Gain as Earnings Roll In | The S&P 500 gained 8.76 points, or 0.2%, to 4183.96. The Dow Jones Industrial Average rose 61.75 points, or 0.2%, to 33301.93. the technology-heavy Nasdaq composite slipped 1.81 points, or less than 0.1%, to 12488.93.  Many big companies are reporting earnings this week.  Investors said they saw the moves higher as a temporary relief rally after Tuesday’s sell-off, when the Nasdaq recorded its largest one-day percentage decline since September 2020 and the Dow dropped more than 800 points.  Major U.S. stock indexes remain down substantially for the year, with the S&P 500 down 12% and Nasdaq Composite down 20%. On Tuesday, the Nasdaq closed at its lowest level since December 2020, wiping out the gains it notched in 2021.  The market is in the thick of corporate earnings season.  About 80% of S&P 500 companies that have reported earnings so far have surpassed analysts’ estimates, FactSet data show. Still, Emily Roland, co-chief investment strategist at John Hancock Investment Management, said investors have concerns on a range of issues. “Markets are mostly focused on some of the macro concerns around aggressive tighter Fed policy, as well as this global growth scare that’s playing out,” she said. | | The Wall Street Journal | | | 04/28/2022 | | Caitlin McCabe, Karen Langley and Dave Sebastian |
|  |  | |  | | |  | |  |
| Ford Swings to a $3.1 Billion Loss | Ford Motor Co. swung to a net loss of $3.1 billion in the first quarter, a reversal largely driven by a steep loss in valuation of its stake in electric-vehicle startup Rivian Automotive Inc.  The Dearborn, Michi., auto maker stood by its year-end guidance of pretax profit of $11.5 billion to $12.5 billion in 2022, despite continued challenges securing enough auto parts to keep assembly lines fully running.  Ford, an early investor in Rivian, had previously benefited from a post-IPO surge in the startup’s valuation.  Rivian’ s stock is down about 70% since the start of the year. | | The Wall Street Journal | | | 04/28/2022 | | Nora Eckert |
|  |  | |  | | |  | |  |
| What’s News | ♦ The EU vowed to phase out Russian natural-gas purchases and speed up the switch to renewable energy in response to Moscow’s decision to stop sending gas to Poland and Bulgaria because of their military support for Ukraine. | | The Wall Street Journal | | | 04/28/2022 | |  |
|  |  | |  | | |  | |  |
| What’s News | ♦ Amazon.com reported a loss of $3.8 billion, its first quarterly loss in seven years. Revenue rose about 7%, the slowest growth pace in about two decades. | | The Wall Street Journal | | | 04/29/2022 | |  |
|  |  | |  | | |  | |  |
| U.S. Economy Shrinks 1.4%, But Spending Stays Strong | The U.S. economy shrunk in the first quarter as supply disruptions weighed on output, but underlying strength in consumer and business spending suggested growth will soon resume.  The decline in U.S. gross domestic product at a 1.4% annual rate marked a sharp reversal from a 6.9% annual growth rate in the fourth quarter…  Imports to the U.S. surged and exports fell, dynamic reflecting, pandemic-related supply-chain constraints.  Businesses also poured more money into equipment and research and development, triggering a 9.2% rise in business spending. | | The Wall Street Journal | | | 04/29/2022 | | Sarah Chaney Cambon |
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| Oil Traders Abandon Russia’s Rosneft  *Moscow faces difficulty marketing its crude now that firms like Trafigura are getting out* | Russia built a self-proclaimed fortress around its economy in the rum-up to war – but there was a crack. Moscow depended on foreign middlemen to ferry its most strategic and lucrative export around the world: oil.  Now the most-important middleman, Trafigura Group, is joining several competitors in cutting off Russian giant Rosneft Oil co. from global oil markets. | | The Wall Street Journal | | | 04/29/2022 | | Joe Wallace and Eliot Brown |
|  |  | |  | | |  | |  |
| Intel CEO Sees Chip Shortage Lasting | Intel Corp., Chief Executive Pat Gelsinger said the chip shortage will last longer than expected as the semiconductor maker reported a decrease in quarterly sales with personal-computer purchases slowing.  Mr. Gelsinger said the global chip shortage he had previously forecast would stretch into 2023 is now likely to last even longer as chip makers struggle to buy enough manufacturing equipment and to boost production to meet demand.  Despite the chip shortage, industry executives expect annual chip sales globally to double to more than $1 trillion by 2030. | | The Wall Street Journal | | | 04/29/2022 | | Asa Fitch |
|  |  | |  | | |  | |  |
| Tech Stocks Propel Nasdaq, S&P 500 | Stocks soared Thursday, with technology stocks leading the charge, as investors cheered a solid earnings report from Meta Platforms Inc. that showed resilience despite rising inflation.  That gain helped send the Nasdaq Composite Index up 382.59 points, or 3.1%, to 12871.53 and boosted the S&P 500 technology sector, which was the best performing group in the index.  The S&P 500 climbed 103.54 points, or 2.5%, to 4287.50, while the Dow Jones Industrial Average jumped 614.46 points, or 1.8%, to 33916.39.  In the bond market, the yield on the 10-year Treasury note ticked up to 2.862% from 2.817% Wednesday. Yields and bond prices move in opposite directions.  Oil prices climbed, sending shares of energy companies higher… | | The Wall Street Journal | | | 04/29/2022 | | Corrie Driebusch, Joe Wallace and Quentin Webb |
|  |  | |  | | |  | |  |
| Battle for Materials Slows Drillers  *Oil rigs in the Permian basin is still well below pre-pandemic levels and below the region’s activity peak in 2014, the last time oil was $100 a barrel.* | America’s most prolific oil field is running out of the workers, cash and equipment needed to produce more oil.  But supply-chain crunches are putting a ceiling on how much more frackers can produce there, said energy executives and analysts…  Service companies mothballed large fleets of equipment during the pandemic and investors remain wary of the industry, leaving companies short of capital and reluctant to invest in new fracking fleets and drilling rigs.  Several factors are holding back production, including publicly listed producers’ decision to return more cash to investors and limit spending on growth as well as the rapid depletion of some of the best shale wells. Now, supply-chain snarls mean that shale companies that want to grow production will be hard-pressed to do so. | | The Wall Street Journal | | | 04/29/2022 | | Collin Eaton |
|  |  | |  | | |  | |  |
| Dollar Surges as Haven Amid Turmoil | The dollar extended its rapid climb Thursday, reaching multiyear highs against the euro, British pound and yen.  The U.S. currency has been one of the few beneficiaries this year of a market battered by geopolitical fears and worries about the consequences of interest-rate increases from the Federal Reserve.  The WSJ Dollar Index, which measures the U.S. currency against a basket of 16 others, has risen 7.1% in 2022, outpacing everything from stocks to bonds to gold.  The dollar has climbed in all but two of the last 21 trading sessions, putting the currency within striking distance of a 20-year high.  Higher interest rates typically support the dollar by making U.S. assets more attractive to yield-seeking investors. Investors expect that the Fed will increase short-term rates more aggressively this year than its central-bank peers. | | The Wall Street Journal | | | 04/29/2022 | | Caitlin McCabe and Julia-Ambra Verlaine |
|  |  | |  | | |  | |  |
| Nasdaq Caps Worst Month Since 2008 | The Nasdaq dropped 4.2% Friday, bringing its losses for the month to more than 13%, its worst showing since October 2008. The index is down 21% in 2022, its worst start to a year on record.  The broader S&P 500 has fallen for four consecutive weeks, shedding 8.8% in April and bringing its year-to-date losses to 13%. The Dow Jones Industrial Average fell 4.9% in April and is down more than 9% this year. Both indexes logged their worst months since March 2020.  The punishing declines in tech and growth stocks mark a dramatic shift from recent years. | | The Wall Street Journal | | | 04/30-05/01/2022 | | Gunjan Banerji and Caitlin Ostroff |
|  |  | |  | | |  | |  |
| What’s News | ♦ Consumers spent more in March, showing that U.S. households are absorbing high inflation. | | The Wall Street Journal | | | 04/30-05/1/2022 | |  |
|  |  | |  | | |  | |  |
| Eurozone Economy Growing, but Risk Of Recession Looms | The eurozone’s economy continued to grow at a modest pace in the first three months of the year but faces the threat of a slide into recession as Russia’s war on Ukraine keeps energy costs high and squeezes household spending power.  Economists say a slowdown in eurozone growth as energy costs surge could become a recession if supplies of gas and oil from Russia are interrupted.  Figures for consumer prices in April also released by Eurostat recorded a pickup in the annual rate of inflation to 7.5% from 7.4% in March.  That jump in energy costs presents the most serious headwind for the eurozone economy…  Responding to the recent surge in inflation, the ECB has said it likely would end its program of bond purchases during the three months through September, clearing the way for a first increase in its key interest rate since 2011.  Along with most other forecasters, the International Monetary Fund in April lowered its growth forecast for the eurozone this year to 2.8%, from 3.9% when it last published projections in January. | | The Wall Street Journal | | | 04/30-05/01/2022 | | Paul Hannon |

Over the course of their lifetime, the average American will pay $525,037 in taxes. Nearly two-thirds of the total, or roughly $340,000, comes from taxes from earnings, with the rest made up of sales, property, and automobile taxes. -Yahoo! May 17, 2021

“You don’t pay taxes – they take taxes!” -Chris Rock

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Prepared by James M. Juengling.

Juengling & Associates