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| **RESOURCE LOG – APRIL 2023** |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| What’s News | ♦ An economic slowdown, persistent inflation and weaker productivity growth will hurt social Security’s finances , draining its reserves one year earlier than previously estimated, the government said. | The Wall Street Journal | 04/01-02/2023 |  |
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| What’s News | ♦ Consumer spending in the U.S. rose more modestly in February after a sharp jump at the start of the year, while inflation cooled but remained elevated. | The Wall Street Journal | 04/01-02/2023 |  |
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| What’s News | ♦ Core inflation in the eurozone reached a record in March, a setback for European central bankers.  | The Wall Street Journal | 04/01-02/2023 |  |
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| Stocks Cap Wild Quarter To Notch Big Gains | The biggest shock of the quarter came in March, when Silicon Valley Bank and signature Bank collapsed. Bank stocks tumbled.  | The Wall Street Journal | 04/01-02/2023 | Akane Otani |
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| Markets Move Higher to Finish A Wild Quarter | The S&P 500 ended the day 58.48 points higher, or 1.4%, at 4109.31. The D ow Jones Industrial Average closed up 415.12 points, or 1.3%, at 33274.15. The tech-heavy Nasdaq composite increased 208.44 points, or 1.7%, to 12221.91.“Political headlines have had less and less impact ,” said Brad McMillan, chief investment officer at Commonwealth Financial Network. “We have learned to live with a much higher level of chaos than we were used to a few years ago.”Still, the major indexes ended the quarter higher. The S&P 500 is up 7% since the start of the year, its second straight quarter gain. The Nasdaq composite Index is up 17%, its largest quarterly gain since 2020.Bonds have been volatile as interest-rate expectations have twisted and turned.The 10-year yield fell Friday to 3.491%. the 2-year yield, which more closely reflects investor expectations for short-term rates, slid to 4.060% to close out its largest monthly decline since 2008. Both yields recorded their largest quarterly drops since March 2020.Oil prices ticked up. Brent crude futures rose 0.6% to $79.77 a barrel. Prices have fallen this quarter as Russian oil kept flowing and investors say a likely recession could curb fuel demand. | The Wall Street Journal | 04/01-02/2023 | Gina Heeb and Joe Wallace |
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| An Inflation Reading Gives the Fed Room | In its February report on personal income and spending, the Commerce Department reported that its measure of consumer prices – the Fed’s favored inflation gauge – rose 0.3% in February from January, putting it 5% above its year-earlier level.Friday’s inflation reading was welcome news to investors, economists and policy makers who have been struggling to tease out how badly banking woes will weigh on the economy. The general thinking is that more restrictive lending conditions will be to some degree equivalent to further Fed rate increases.  | The Wall Street Journal | 04/01-02/2023 | Justin Lahart |
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| Saudi-Led Oil Producers Set for More Output Cuts | A group of large oil producers led by Saudi Arabia said Sunday they would cut more than a million barrels of output a day starting next month,The output cut adds to a reduction of 2 million barrels a day agreed to in October by the Saudi-led Organization of the Petroleum Exporting Countries and a group of other producers led by Russia.  | The Wall Street Journal | 04/03/2023 | Benoit Faucon and Summer Said |
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| Small Investors Sour on Stock | Net purchases of U.S. equities by individuals reached a monthly record in February, according to Vanda Research data going back to 2014.But individuals’ stock purchases slowed sharply in recent weeks, falling to levels not seen since November 2020…Individuals’ diminishing interest in stocks comes as investors are navigating a tumultuous market environment,,, | The Wall Street Journal | 04/03/2023 | Hannah Miao  |
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| What’s News | ♦ A Saudi Arabia-led production cut vaulted crude prices 6.3% higher in their steepest one-day increase in nearly a year, as Brent futures hit $84.93 a barrel. | The Wall Street Journal | 04/04/2023 |  |
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| S&P’s Resilience Amid Turmoil Is Due to Tech | Big technology stocks are back in the market’s drivers seat.The S&P 500 has gained 3.3% since March 8 when trouble began brewing ahead of the collapse of Silicon Valley Bank. That is largely thanks to a big Rally I the index’s information-technology And communications-services groups.In fact, Microsoft Corp. and Apple Inc. together contributed more points to the benchmark’s advance in March than all the financial stocks in the index have subtracted….The market’s resilience has surprised some investors, especially when there is stilluncertainty about whether the banking crisis has been fully contained.  | The Wall Street Journal | 04/04/2023 | Hardika Singh  |
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| Dow, Broad Index Advance, Output Cut Lifts Oil Stocks | The S&P 500 ticked up 15.20 points, or 0.4%, to 4124.51. The Dow industrials added 327 points, or 1%, at 33601.15. The tech-heavy Nasdaq composite declined 32.45 points, or 0.3%, to 12189.45.All three major stock indexes finished the first three months of the year with gains. Treasury yields pulled back after the release of the manufacturing data. The yield on the benchmark 10-year Treasury note declined to 3.430%, from 3.491%at the end of last week. | The Wall Street Journal | 04/04/2023 | Hannah Miao and Anna Hirtenstein |
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| Shares Decline on Signs of Slowdown | Stock indexes edged lower Tuesday, after fresh economic data suggested the labor market is slowing.The S&P 500 fell 23.91 points, or 0.6%, to 4100.6. The Dow Jones Industrial Average dropped 198.77 points, or 0.6%, to 33402.38. the Nasdaq Composite shed 63.13 points, or 0.5%, to 12126.33.The health of the economy and the resulting future path of interest rates remains a key focus for investors.U.S. stocks have started April quietly after a tumultuous first quarter. All three major stock indexes finished the first three months of the year with gains, despite a major selloff in bank stocks and highly volatile bond-market trading.Oil prices inched higher. The front-month contract for the Brent crude benchmark rose by a penny to $84.94 a barrel,…“We are in wait-and-see mode in terms of how the economy plays out,” said Brian O’Reilly, head of market strategy at Mediolanum International Funds.Higher interest rates are beginning to take their toll on the economy, he added. | The Wall Street Journal | 04/05/2023 | Charley Grant and Will Horner |
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| What’s News | ♦ The number of job openings in the U.S. fell in February, dropping below 10 million for the first time in nearly two years in a sign that demand for workers eased amid a still strong labor market.  | The Wall Street Journal | 04/05/2023 |  |
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| Stocks Mostly Fall on Slowdown Fears | Stocks mostly fell as investors focused on fresh signs of a slowing U.S. economy.The S&P 500 dropped for a second day, closing down 10.22 points, or 0.2%, at 4090.38. The tech-heavy Nasdaq composite dropped 127.47 points, or 1.1%, to 11996.86. The Dow Jones Industrial Average was the outlier, inching up 80.34 points, or 0.2%, to 33482.72.Data this week suggest the labor market is weakening.Treasury yields dropped again, with the yield on the 10-year note falling to 3.285% from 3.335% a day earlier.Economically sensitive sectors of the S&P 500, including industrials, materials and real estate, have underperformed since bank stress came to the forefront in early March. All are down more than 4% over the last month.Some are welcoming weaker job numbers as a sign the Federal Reserve’s fight against inflation is making progress. A hot labor market and rising wages have been a major contributor to inflation.  | The Wall Street Journal | 04/06/2023 | Jack Pitcher and Chelsey Dulaney |
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| War, Inflation Curb Trade, WTO Says | The war in Ukraine and stubborn inflation around the world are expected to hold back growth in global trade this year, restraining the pace of economic recovery even as the world emerges from the height of the pandemic.The World Trade Organization said Wednesday the volume of world merchandise trade is expected to expand 1.7% this year, following 2.7% growth in 2022. This year’s forecast falls well below the average annual growth rate of 2.6% since a trade slump after the 2008 financial crisis. The Geneva-based multilateral organization expects global trade growth to pick up speed in 2024 to 3.2%, but warns of substantial risks, including flare-ups in geopolitical tensions and food insecurity. Unforeseen fallout from monetary tightening, financial instability and higher debt levels are other possible threats, WTO economists said. | The Wall Street Journal | 04/06/2023 | Yuka Hayashi and Jason Douglas  |
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| Stocks Haven’t Looked This Ugly In Years | The reward for owning stocks over bonds hasn’t been this slim since before the 2008 financial crisis.The equity risk premium – the gap between the S&P 500’s earnings yield and that of 10-year Treasurys – sits around 1.59 percentage points, a low not seen since October 2007.That is well below the average gap of around 3.5points since 2008. The reduction is a challenge for stocks going forward. Equities need to promise a higher reward than bonds over the long term. Otherwise, the safety of Treasurys would outweigh the risks of stock losing some, it not all, of investors’ money.The allure of stocks dimmed recently when bonds yields shot higher and the corporate-earnings picture continued to darken.The S&P 500 has recovered some of last year’s 19% fall, adding 6.9% in 2023. The Bloomberg U.S. Aggregate Bond index has risen 4.2%, lifted by an early-year rally and elevated yields.  | The Wall Street Journal | 04/07/2023 | Eric Wallerstein  |
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| Jobs, Wages Show Signs of Easing | The red-hot labor market cooled some in Mach, with hiring gains moderating and wage growth easing as more workers sought jobs.Employers added 236,000 workers last month, a historically strong gain but the smallest in more than two years, the Labor Department said Friday. The unemployment rate ticked down to 3.5%.Steady hiring growth last month could keep the Federal Reserve on track to consider raising interest rates again at its meeting in early May. | The Wall Street Journal | 04/08-09/2023 | Sarah Chaney Cambon and Nick Timiraos |
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| Treasury Yields Rise As Jobs Data Show Surprise Resilience | U.S. government bond prices fell Friday, pushing yields higher, after the latest jobs numbers suggested there remains substantial demand for workers despite some recent signs of a weakening economy.The yield on the benchmark 10-year U.S. Treasury note settled at 3.382%, according to Tradeweb…The unemployment rate fell to 3.5% from 3.6% - undershooting estimate…After the job report, interest-rate futures showed that investors think there is a roughly 70% chance that the Fed will raise rates by a quarter percentage point at its next meeting in May… | The Wall Street Journal | 04/08-09/2023 | Sam Goldfarb  |
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| Stock Funds Rise 5.6% So Far in 2023 | In a first quarter full of unexpected twists, fund investors somehow were able to be winners. The average U.S. stock fund rose 5,6% in the quarter, after having fallen 18.4% for all of 2022, according to Refinitiv Lipper data.Investors remain cautious about U.S. stocks, judging by fund-flow data.Stock performance this year “has been extremely narrow, concentrated in some very large tech and tech-adjacent companies,” says Katie Nixon, chief investment officer of Northern Trust Wealth Management in Chicago.  | The Wall Street Journal | 04/10/2023 | William Power |
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| Saudi-Led Oil cuts Hit Headwind | A burst of supply from a grab bag of smaller oil-producing countries threatens to undermine efforts by Saudi Arabia and its allies to keep prices high.Iran, Guyana, Norway, Kazakhstan, Brazil and Nigeria have pumped more oil since the fall, boosting the world’s supplies even as some of the biggest producers throttled back.Nigeria in particular has seen output bounce, with help from armed guards protecting barges in the vast creeks and waterways of the oil-rich Niger Delta.The U.S. also has pumped additional crude, raising daily output by more than a million barrels over the past year. | The Wall Street Journal | 04/10/2023 | Joe Wallace and Anna Hirtenstein |
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| Earnings Season Presents Next Test Of Stocks | The week’s kickoff to the corporate earnings season offers the next trial for the market as investors consider whether U.S. stocks can hold on to recent gains amid deteriorating profits. Analysts expect companies in the S&P 500 to report a second consecutive decline in quarterly earnings. First quarter profits are projected to drop 6.8% from the same period a year earlier, according to FactSet. That would mark the steepest earnings decline since the second quarter of 2020, when the onset of the Covid-19 pandemic resulted in a 32% profit contraction.Companies have been fighting a host of challenges, including inflation, rising interest rates and, more recently, concern about the health of the financial system following the two biggest bank failures since the 2008 financial crisis. Yet U.S. stocks have risen this year, with the S&P 500 up 6.9%. | The Wall Street Journal | 04/10/2023 | Hannah Miao |
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| Small-Cap, Cyclical Stocks Climb*Price of bitcoin rises above $30,000, a level it hasn’t breached since June* | The S&P 500 was nearly unchanged, shedding 0.17 point to 4108.94. The Russell 2000 index climbed 14.15 points, or 0.8% to 1786.59, the second consecutive session that shares of smaller companies outperformed those of larger firms.The Dow Jones Industrial Average climbed 98.27 points, or 0.3%, to33684.79. The Nasdaq Composite fell 52.48 points, or 0.4%, to 12031.88.U.S. government debt prices declined, nudging yields higher. The yield on 10-year Treasury notes rose to 3.433% from 3.414% Monday.Gold prices, up 10% this year, remained above $2,000 a troy ounce.Bitcoin rose above $30,000for the first time since June, extending a rally that began when banking turmoil led investors to expect the Fed would soon cut interest rates. Late Tuesday in New York, the cryptocurrency traded at $30,172.56, up 3.65%.Investors attention could turn back toward banking upheaval later this week when JPMorgan Chase, Wells Fargo and Citi-group kick off earnings season. | The Wall Street Journal | 04/12/2023 | Ryan Dezember and Joe Wallace |
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| Shale Industry Readies Deal Wave | The shale industry has shifted from the rapid growth it pursued for more than a decade to a mature business underpinned by fiscal restraint and hefty investors payouts. But shales companies are contending with dwindling drilling locations. Drilling for new oil discoveries has fallen out of favor with investors, leaving many companies with few options than to acquire rivals to extend their runway. | The Wall Street Journal | 04/12/2023 | Benoit Morenne and Collin Eaton |
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| Banking volatility Hinders Growth, IMF Says | Tighter bank lending prompted by the recent failure of two midsize American banks will slow U.S. economic growth this year, the International Monetary Fund estimated, warning that rising interest rates pose a threat to the global financial system.That reduction in lending is expected to shave 0.44 percentage point off U.S. gross domestic product in 2023, the IMF said.“Because regional and smaller banks in the United States account for more than one-third of total bank lending, a retrenchment from credit provision could have a material impact on economic growth and financial stability,” the IMF said.In a separate report released Tuesday, the IMF forecasts the U.S. economy, the world’s largest, to expand 1.6%this year, down from 2.1% in 2022. | The Wall Street Journal | 04/12/2023 | Andrew Duehren and Yuka Hayashi  |
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| Stocks Fall on Cloudy Outlook for Rates | The S&P 500 fell 16.99 points, or 0.4%, to 4091.95, while the Nasdaq Composite lost 102.54 points, or 0.9%, to 11929.34. The Dow Jones Industrial Average gave up 38.29 points, or 0.1%, to 33646.50.But inflation also remains well above prepandemic levels. The central bank itself hasn’t ruled out further rate increases. | The Wall Street Journal | 04/13/2023 | Will Horner and Akane Otani  |
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| Treasurys Gyrate, End Higher*Early rally after inflation report loses steam, resumes after release of Fed minutes* | The two-year Treasury note’s yield finished Wednesday at 3.970%, down from 4.056% on Tuesday.The benchmark 10-year yield declined to 3.419% from 3.433% Tuesday.“I think we’re whipsawing so much because we have two pretty different economic scenarios in front of us, both equally plausible,” said Priya Misra, global head of rates strategy at TD Securities.On the other hand, a drop-off in banks’ lending could exacerbate the effects of the Fed’s previous rate increases, quickly slowing the economy. On the other hand, the increase in core CPI, which excludes food and energy prices, was still at 0.4% in March month over month – roughly a 5% rate if annualized.Business surveys, for instance, have signaled that it has already gotten more difficult for companies to find new loans.  | The Wall Street Journal | 04/13/2023 | Matt Grossman |
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| Inflation Hits Lowest Level since 2021 | U.S. inflation eased in March to its lowest level in nearly two years, but underlying price pressures likely keep the door open for the Federal Reserve to consider another interest-rate increase at its May meeting.The consumer-price index, a closely watched inflation gauge that measures what consumers pay for goods and services, rose 5% last month from a year earlier, done from February’s 6% increase and the smallest gain since May 2021, the Labor Department said Wednesday.High inflation and a tight labor market led Fed officials to signal they could raise interest rates at their next meeting despite a higher likelihood the economy would enter a recession later this year, according to minutes of the March 21-22gathering released Wednesday.Inflation remains elevated – well above the 2.1 average in the three years before the pandemic and the Fed’s 2% target. | The Wall Street Journal | 04/13/2023 | Gwynn Guilford and Nick Timiraos |
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| Supplier Data Point to Easing Inflation | U.S. supplier prices fell in March by the most in nearly three years, the latest evidence that inflation is moderating.The producer-price index, which generally reflects supply conditions across the economy, fell 0.5% in March from the prior month, the largest monthly decrease since April 2020, the Labor Department said Thursday. | The Wall Street Journal | 04/14/2023 | Gabriel T. Rubin |
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| Junk-Rated Companies Struggle With Debt | The prospect of U.S. companies with significant leverage or rated several notches below investment grade have turned bleaker in recent months, credit-rating firms say, and default rates for junk-rated companies could more than double by early next year.While highly rated companies are proving largely resilient during the postpandemic economic turbulence, business with lower credit ratings and floating-rate debt are increasingly struggling with steep increases to debt-servicing costs and a possible recession as the Federal Reserve continues interest-rate rises. S&P this year through the end of March has issued 85 U.S. corporate credit downgrades – for both high- and low-rated companies – up from 48 in the prior-year period.  | The Wall Street Journal | 04/14/2023 | Mark Maurer |
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| Gold Prices Hit Highest Level of Year | The most actively traded gold-futures contract rose to $2,055.30 a troy ounce, up 13% year to date. That also put it within striking distance of its record high of $2,069.40, reached in the summer of 2020.Some investors value gold as a hedge against inflation, expecting the precious metal to hold up in value if other assets fall.The rising gold price shows investors are wagering that the Federal Reserve will pull back from its rate-increase campaign even with inflation well above the central bank’s 2% target. | The Wall Street Journal | 04/14/2023 | Hardika Singh |
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| Markets Hang On To Gains For Week | Friday’s share price declines ate into major indexes’ modest gains for the week.The Dow Jones Industrial Average dropped 143.22 points, or 0.42%, to 33886.47 on Friday. The Nasdaq Composite Index fell 42.81 points, or 0.35%, to 12123.47. The S&P 500 was down 8.58 points, or 0.21%, to 4137.64.For the week, the Dow gained 1.2%, the S&P was up 0.8% and the Nasdaq hung on to a 0.3% rise. | The Wall Street Journal | 04/15-16/2023 | David Uberti and Chelsey Dulaney |
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| Big Banks Post Blowout Quarter | It’s great to be a megabank, even in a banking crisis.JP Morgan Chase & Co., the largest bank in the U.S., is thriving in a world of rising interest rates that sank some of its smaller peers, posting a blowout 52% increase in first-quarter profit and record revenue. Profits also rose at Citigroup Inc. and Wells Fargo & Co. All three big banks were buoyed by charging higher rates on loans without increasing the rates paid to depositors by as much. They also benefited from panicky depositors fleeing midsize banks after the collapses last month of Silicon Valley Bank and Signature Bank…The rare environment today is vastly different than it was a year ago. The Federal Reserve recently lifted its benchmark rate to a range between 4.75% and 5%. For most of the first quarter of 2022, it was essentially zero. | The Wall Street Journal | 04/15-16/2023 | David Benoit, Gina Heeb and Rachel Louise Ensign |
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| What’s News | ♦big banks were among the few bright spots in stock markets on Friday, as the S&P 500, Nasdaq and Dow lost 0.21%, 0.35% and 0.42%, respectively. | The Wall Street Journal | 04/15-16/2023 |  |
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| Market Watchers Doubt Rate Halt Will Spur A Rally | Stocks have historically rallied after the Federal Reserve has finished raising interest rates, But some investors and analysts have warned the markets might not get the same boost this time around.Going back to 1982, the S&P 500 returned an average of 19% in the 12 months after the federal-funds rate peaked, according to a Goldman Sachs team…Yet Goldman is skeptical markets will rally again once the Fed is done with its current set of interest-rate increases.Earnings growth has faltered.Additionally, stocks look expensive relative to history. | The Wall Street Journal | 04/17/2023 | Akane Otani |
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| Global Recovery Remains Fragile | The global economy has emerged from the pandemic and weathered the war in Ukraine with surprising resilience, policy makers gathered in Washington said last week. Yet the recovery remains fragile as stubborn inflation fuels risk in many corners of the world. The IMF’s baseline forecast for global growth is 2.8% in 2023. But it warns further financial stress could push that down to 2.5%, ,with advanced-economy growth falling below 1%. The multilateral lender said U.S. banking capacity will decline by 1% this year, shaving 0.44 percentage point off 2023 U.S. gross domestic product. | The Wall Street Journal | 04/17/2023 | Yuka Hayashi and Andrew Duehren |
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| G-& Seeks To Lessen Economic Reliance On China | The Group of Seven advanced democracies are growing concerned that China, a dominant supplier of many goods and materials, could similarly cut off key exports in the event of a conflict or another pandemic, according to top Western economic officials. But G-7 officials said they also want to avoid steps that would harm global economic growth as they try to unify… | The Wall Street Journal | 04/18/2023 | Andrew Duehren and Greg Ip |
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| What’s News | ♦ Chinese economic data show that consumer spending is playing a stronger-than-expected role in driving the nation’s recovery. | The Wall Street Journal | 04/19/2023 |  |
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| Britain’s Inflation Remains Above 10%*Food prices rose by 19.1% at highest pace since 1977, weakening household spending* | March consumer prices were 10.1% higher than a year earlier, a decline in the inflation rate from 10.4% in February, the U.K’s statistics agency said Wednesday.The March reading left the U.K. with the highest inflation rate among the Group of Seven wealthy democracies…Higher prices for energy, food and other goods and services have weakened household spending and prompted a wave of strikes that continue to affect the health and education sectors, …The U.K. also faces a shortage of workers, with the number of people who can’t work because of illness rising to a high of 2.53 million in the three months through February. | The Wall Street Journal | 04/20/2023 | Paul Hannon |
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| Sales of Homes Fell 2.4% In March | Home sales fell across the U.S. in March, a sluggish start to the crucial spring selling season as higher mortgage rates squashed momentum from the previous month.U.S. existing-home sales decreased 2.4% in March from the prior month to a seasonally adjusted annual rate of 4.44 million, the National Association of Realtors said Thursday. March sales fell 22% from a year earlier.March marked the 13th time in the previous 14 months that the sales have slowed.The housing market’s slowdown is now starting to weigh on prices, which have fallen on an annual basis for two consecutive months for the first time in 11 years. | The Wall Street Journal | 04/21/2023 | Nicole Friedman |
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| Fed Eyes Change To Close Banking Loophole*Tighter rule to gauge unrealized losses on some securities would target midsize lenders* | The Federal Reserve is actively considering closing a loophole that allows some midsize banks to effectively mask losses on securities they hold, a contributing factor in the collapse of Silicon Valley Bank.Capital is the buffer banks are required to hold to absorb potential losses. | The Wall Street Journal | 04/22-23/2023 | Andrew Ackerman and Rachel Louise Ensign |
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| Stocks Fall After Weak Earnings Reports | Disappointing earnings From companies including First Republic Bank and United Parcel Service helped interrupt a weekslong stretch of market calm, with stocks falling as investors concerns about the economy ticked upward.The S&P 500 fell 65.41 points, or 1.6%, to 4071.63. The Dow Jones Industrial Average lost 344.57 points, or 1%, to 33530.83. The Nasdaq Composite dropped 238.05 points, or 2%, to 11799.16, its biggest decline since March 9.Tech stocks have been some of the best performers this year and make up a chunk of the broad S&P 500. How well they are coping with higher interest rates and signs of a slowing economy will be key for the direction of the market, said David Donabedian, chief investment officer at CIBC Private Wealth US.The yield on the two-year note, which is especially sensitive to the near-term interest-rate outlook, dropped even further, to 3.954% from 4.144% Monday.U.S. crude oil prices lost $1.69, or 2.1%, to $77.07 a barrel. | The Wall Street Journal | 04/26/2023 | Sam Goldfarb and Will Horner |
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| S&P, Dow Slip on Fear of Slowdown | The Dow Jones Industrial Average fell 228.96 points, or 0.7%, to 33301.87. The S&P 500 lost 15.64 points, or 0.4%, to 4055.99. The technology-heavy Nasdaq Composite rose 55.19 points, or 0.5%, top 11854.35.Declining sectors spanned trucking firms, energy producers and regional banks. Tech was the only sector in the S&P 500 to notch gains, according to FactSet, climbing 1.7%.Part of the gloom stems from an emerging consensus that the Federal Reserve will continue raising rates when central bankers meet at its meeting next week. | The Wall Street Journal | 04/27/2023 | David Uberti and Chelsey Dulaney |
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| Banking Turmoil Is Tip of Debt Iceberg | SVB’s core problem was that it owned a lot of government debt funded by unstable deposits. As interest rates rose sharply last year, the mark-to-market value of the debt plummeted, and deposits became more expensive and scarcer.A lot of banks own similarly devalued bonds. But that is just the tip of the debt iceberg. Since end of 2009, total debt owed by governments, business and households have risen 90% to $68 trillion, according to the Federal Reserve.When interest rates go up, the value of an existing loan or a bond goes down. That isn’t always apparent in lenders earnings statements. But the IMF does cite several risks. Private credit often funds leveraged buyouts of companies more vulnerable to economic slowdowns, competition has led to laxer loan terms, and “managers of private-credit deals often finance deals of other managers, which concentrates risk,” it said. The investors who commit capital to private-credit funds also do so for private equity and other alternative assets, the sort of interconnectedness that has amplified stress in the past. | The Wall Street Journal | 04/27/2023 | Greg Ip |
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| Dow Posts Best Day Since January | The Dow Jones Industrial rose 524.29 points, or 1.6%, to 33826.16. it was the blue-chip index’s largest one-day point and percentage gain since Jan. 6, according to Dow Jones Market Data.The Nasdaq Composite Index rose 287.89 points, or 2.4%, to 12142.24. The S&P 500 for 79.36 points, or 2%, to 4135.35.All three major indexes are on pace to close the week higher. Reported earnings have topped expectations by 8% on average, according to Liz Young, head of investment strategy at SoFi.But positive surprises may not last as the year progresses, she added: Companies are still reporting revenue growth, but profit margins are falling. | The Wall Street Journal | 04/28/2023 | Charley Grant and Caitlin McCabe |
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| Economy Cools Amid Recession Fears*U.S. gross domestic product grew at 1.1% pace in first quarter, slowing from 2.6%* | Consumption – the main driver of the economy – was a bright spot.Stocks rallied Thursday after strong corporate earnings helped reverse a selloff earlier this week, with Facebook parent Meta Platforms Inc. leading the way. The tech-heavy Nasdaq Composite gained 2.4%, the S&P 500 rose 2% and the Dow Jones Industrial Average added 1.6%. Bond yields rose after inflation figures in the GDP report solidified investor expectations of another Fed rate increase.Inflation remains high. The person-consumption expenditures price index, The Fed’s preferred inflation gauge, increased at a 4.2% annual rate in the first quarter, up from a 3.9%increase in the fourth quarter and well above the Fed’s 2% target/ “The tighter credit supply will start to bite,” said Jan Groen, an economist at TD Securities.  | The Wall Street Journal | 04/28/2023 | Austen Hufford |
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| China Ratchets Up Pressure Campaign On Foreign Firms | Chinese authorities have embarked on a campaign to bring foreign businesses to heel, just months after Beijing delivered an open-for-business message to global investors.  | The Wall Street Journal | 04/28/2023 | Lingling Wei |
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| Beijing Celebrates Economic Recovery | The World’s second-largest economy is expected to expand at a health clip this year after Beijing ditched its strict approach to controlling Coviod-19late last year.The upbeat projections offer support to a global economy best by slowing growth in the U.S. and Europe as rising interest rates, stubborn inflation and the specter of financial-sector instability bear down on consumer and business spending.China’s economy expanded at4.5% the first quarter compared with a year earlier and economist expect growth for 2023 as a whole to match or exceed Beijing’s target of around 5%, as consumers splurge on shopping, eating out and traveling after a few years of sporadic lockdowns under the government’s zero-tolerance approach to the pandemic. | The Wall Street Journal | 04/29-30/2023 | Jason Douglas |
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| The Economy Remains Too Hot for the Fed | Investors have been hoping the Federal Reserve’s message following next weeks policy-setting meeting will be “hike in May and go away.” But recent economic data suggests the central bank won’t be able to do that.Within them, the central bank will be particularly concerned about a 5.5% increase in service prices from a year earlier, a reading that will amp up concern at the Fed wages increases are bleeding into inflation. But, absent stronger evidence that wage and inflation pressures are cooling, policy makers are going to want to keep the door to further rate increases wide open.  | The Wall Street Journal | 04/29-30/2023 | Justin Lahart  |
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| Wage, Prices Keep Fed Rate Rise on Track | Employers spent 1.2% more on wages and benefits in the first quarter from the prior three months, a slight uptick from an upwardly revised 1.1% increase in the fourth quarter, the Labor Department said Friday. The employment-cost index advanced 4.8% last quarter from a year earlier, an easing from the 5.1% gain at the end of last year.The Fed’s preferred gauge of consumer inflation, the personal-consumption expenditure price index, cooled to 4.2% in March from a year earlier…U.S. stock indexes rose on Friday. The Dow Jones Industrial Average and the S&P 500 each advanced 0.8%, and the Nasdaq Composite increased 0.7%. the yield on the 10-year-Treasury note declined. | The Wall Street Journal | 04/29-30/2023 | Gabriel T. Rubin |

Nine decades ago, President Franklin D. Roosevelt announced that the U.S. had ditched the gold standard. The abandoned system fixed the bullion price at $21.67 a troy ounce. It currently fetches more than $2,000.

“When you are good at something, you’ll tell everyone. When you’re great at something, they’ll tell you.” *Walter Payton*

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