|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **RESOURCE LOG – MAY 2023** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| What’s News | ♦ Federal Reserve officials are on track to increase interest rates again at their meeting this week while deliberating whether that will be enough to then pause the fastest rate-raising cycle in 40 years. | The Wall Street Journal | 05/02/2023 |  |
|  |  |  |  |  |
| What’s News | ♦ Yellen said the U.S. government could become unable to pay all its bills on time as soon as June 1 if Congress doesn’t first raise the debt limit. | The Wall Street Journal | 05/02/2023 |  |
|  |  |  |  |  |
| Dollar Is Off to Worst Start Since 2018 | The U.S economy no longer looks so exceptional. That is bad news for the dollar.  The greenback has fallen about 8.3% from a peak in September, as tracked by the WSJ Dollar Index, and is experiencing its worst start to the year since 2018.  Investors are betting the U.S. currency has further to fall as the Federal Reserve near the end of its most aggressive program of interest-rate increases since the 1980s. also weighing on the dollar are concerns over the banking system, a potential U.S. debt default and expectations, that the U.S. will slip into recession in the coming months.  Fed tightening spurred a historical rally in the dollar last year that sent it to multidecade highs against currencies such as the euro and the yen.  The dollar began weakening in the fall,…  The Fed is expected this week to deliver its last quarter-point rate increase before hitting pause on policy tightening.  A weaker dollar is typically good news for the global economy. It lowers the cost of servicing or repaying dollar debt for foreign companies and governments, boosts the value of overseas earnings by U.S. multinationals and can bolster global trade, because good priced in dollars become more affordable to international buyers.  “It’s a release valve for global growth,” said Mr. Wall. “Sixty percent of global liabilities are denominated in dollars; a lot of those are in emerging markets, and emerging markets are responsible for maybe two-thirds of global growth in the last decade.”  One complication is that the dollar remains a favored asset in times of crisis. If a global recession becomes a real risk – if, for example, global banking strains worsen markedly – the greenback would likely rally, as happened in early 2020.  Meanwhile, economic momentum is shifting. European growth is holding up unexpectedly well as the region’s energy crisis has eased, while U.S. activity is slowing.  The International Monetary Fund expects the expansion in U.S. gross domestic product to slow to 1.1% next year and eurozone GDP to rise 1.4%, while it sees Chinese growth at 4.5%. | The Wall Street Journal | 05/02/2023 | Chelsey Dulaney |
|  |  |  |  |  |
| Stocks, Oil Fall Ahead Of Rate Decision  *Regional banks, energy hit indexes as investors seek safety In Treasurys, gold* | The Doe Jones Industrial Average dropped more than 350 points Tuesday as traders spurned risk and sought safety in government bonds, worried that the Federal Reserve’s looming interest-rate decision is arriving at a precarious moment for the economy.  The pain spreads across economically sensitive markets, walloping regional bank stocks, oil prices and low-quality bonds. Treasury debt and gold – traditional havens amid market distress – were among the few assets to gain.  The KBW Regional Banking Index declined 4.5%.  The tumult dragged down the broader stocks indexes. The Dow industrials declined 1,2% and the technology-laden Nasdaq Composite fell 1,1%.  In another sign of economic anxiety, Brent-crude futures, the global oil benchmark, fell 5% to $75.32 a barrel,…  Meanwhile, government-bond prices climbed, signaling strong demand for securities better equipped to hold value if the economy falters. The benchmark 10-year Treasury yield dropped to 3.438% from 3.573 Monday. The two-year yield, which is especially sensitive to how the Fed sets interest rates, dropped even more. A bond’s yield falls when its price rises.  Front-month gold contracts rose 1.6% to $2,014.30 a troy ounce, lifting the haven metal to an 11% year-to-date gain.  Bank stocks were at the heart of Tuesday’s storm. Larger regional banks such as Zions Bancorp, Comerica and KeyCorp were among the S&P 500’s biggest losers, all declining more than 9%. | The Wall Street Journal | 05/03/2023 | Matt Grossman |
|  |  |  |  |  |
| Job Openings Fall to Nearly Two-Year Low | U.S. job openings dropped to their lowest level in nearly two year in March and layoffs rose sharply, in signs that demand for workers is cooling a year after the Federal Reserve bean lifting interest rates.  Employers added 236,000 jobs that month – strong by historical standards, but the smallest monthly gain in more than two years. | The Wall Street Journal | 05/03/2023 | Gwynn Guilford |
|  |  |  |  |  |
| Fed Boosts Rates to a 16-Year High | Wednesday’s unanimous decision to lift rates by a quarter percentage point marked the Fed’s 10th consecutive rate increase aimed at battling inflation. It will bring its benchmark federal-funds rate to a range between 5% and 5.25%, a 16-year high.  Stocks retreated after the decision after rising earlier in the day. The Dow Jones Industrial Average fell about 270 points, or 0.8%, while the S&P 500 and Nasdaq composite indexed closed down 0.7% and 0.5%, respectively. U.S. government bonds rallied slightly, pushing the benchmark 10-yeaer Treasury yield down to 3.401%, from 3.438% Tuesday.  ,,,Mr. Powell indicated that calculation could shift now and that officials would need to see signa of stronger-than-expected growth, hiring and inflation to continue raising rates. The Fed’s next meeting is June 13-14. | The Wall Street Journal | 05/04/2023 | Nick Timiraos |
|  |  |  |  |  |
| Treasury Yields Slide After Federal Reserve’s Moves | The benchmark 10-year Treasury yield – which falls when bond prices rise – settled at 3.401% at 3 p.m., down from 3.438% Tuesday, but slid to around 3.35% after the close. According to Tradeweb.  Treasury yields largely reflect investors’ expectations for short-term interest rates set by the Fed. | The Wall Street Journal | 05/04/2023 | Sam Goldfarb and Matt Grossman |
|  |  |  |  |  |
| Regional Banks’ Shares Nosedive  *PacWest sinks 50% on report it’s on the block: increased short selling compounds the jitters* | Investors have been wondering how much further the problems in regional banking could spread, and whether they will spill over to the broader economy. | The Wall Street Journal | 05/05/2023 | Gina Heeb |
|  |  |  |  |  |
| Stocks Fall, but Bonds, Gold Advance | Nearly two months after Silicon Valley Bank’s collapse, worries about potential bank failures continue to grip the market.  Reflecting demand for safer assets, the yield on the benchmark k10-year U.S. Treasury note fell to 3.350% from 3.401% Wednesday. Gold settled near a record at 2,048 a troy ounce.  Stocks continued to slide even after the Fed hinted that it could be done raising short-term interest rates for a while after having lifted them to their highest level in 16 years.  As of Thursday, 80% of companies in the S&P 500 had reported fourth-quarter results, with 78% of those companies topping analysts’ consensus earnings estimates, according to FactSet. | The Wall Street Journal | 05/05/2023 | Sam Goldfarb |
|  |  |  |  |  |
| Hiring, Wages Buck Headwinds  *April saw an increase of 253,000 jobs, with unemployment of 3.4% matching low since ‘69* | Low joblessness kept upward pressure on wages, which grew 4.4% in April from a year earlier, up from a 4.3% annual increase in March. | The Wall Street Journal | 05/06-07/2023 | Sarah Chaney Cambon |
|  |  |  |  |  |
| Stocks Rally to Cap Tumultuous Week  *S&P 500 breaks four-day losing streak following jobs report, spate of earnings* | Stocks ripped higher Friday on the back of an upbeat jobs report, capping a tumultuous week that saw regional bank stocks buckle…  The S&P 500 closed up 1/8%. The Dow Jones Industrial Average rallied 546.64points, or 1.7%, while the tech-heavy Nasdaq Composite rose 2.2%.  Bond yields rose following the payrolls report, which showed the U.S. added 253,000 jobs in April – well above the 180,000that economists had forecasted. The unemployment rate fell to 3.4%, matching the lowest reading since 1969. Job growth figures for February and March were revised lower. | The Wall Street Journal | 05/06-07/2023 | Jack Pitcher |
|  |  |  |  |  |
| What’s News | ♦ Employers across the economy cranked out jobs last month, despite high-profile companies recently cutting staff. Employment held up in tech, finance, construction and manufacturing and expanded in fields such as restaurants and hospitals. | The Wall Street Journal | 05/08/2023 |  |
|  |  |  |  |  |
| Investors Seek Safety but Want Piece of a Rally | Investors are trying to play offense and defense at the same time.  Money managers are shying away from risk, turning to defensive stocks and Treasurys in their hunt for safe places to invest their cash. Yet they appear equally worried about missing out on a potential stock-market rally. Institutional investors’ allocations to equities remain above the long-term trend, and their cash holdings aren’t out of line with historical averages either, State Street date show.  Although lower interest rates would likely be a boon for stocks, there is a growing conviction on Wall Streety that a recession is looming.  “We’re going into a market environment without much precedent,” said Eric Crittenden, chief investor office of Standpoint.  A State Street Indicator for asset managers’ risk appetite hasn’t registered a positive readding for the past three months, its longest stretch of caution since 2015. Positive readings signify investors are adding risk, whereas negative ones indicate they are pulling back. | The Wall Street Journal | 05/08/2023 | Eric Wallerstein |
|  |  |  |  |  |
| Natural-Gas Producers Keep Drilling | The EIA said it expected U.S. natural-gas production to average 100.9 billion cubic feet a day this year, 3% higher than in 2022. An abundance of gas likely means lower electricity prices for consumers as they head into the summer months…  Gas executives point to a raft of coming LNG facilities as the backbone of their plans. According to S&P Global Commodity Insights, additional plants on the Gulf Coast are expect to about double U.S. export capacity to 24.6 billion cubic feet as day by 2030, requiring many more new gas wells. | The Wall Street Journal | 05/08/2023 | Benoît Morenne |
|  |  |  |  |  |
| Oil Firms’ Heaps of Cash Lure Investors | The promise of money returned to shareholders helped turn energy shares into some of the few bright spots in a dark moment for markets last year, fueled by commodity prices that skyrocketed after Russia’s invasion of Ukraine.  Even as an uncertain economic outlook has weighed on crude in 2023, making the energy sector the S&P 550’s worst performer, cash has continued flowing. Companies that previously chased growth and funneled money into speculative drilling investments, weighing down their stocks, have instead tried to appease Wall Street by boosting dividends and repurchasing shares.  The cash has helped make up for stock prices that often seesaw alongside volatile commodity markets. | The Wall Street Journal | 05/09/2023 | David Uberti |
|  |  |  |  |  |
| Inflation Eases, Keeps Fed Pause in Play  *Prices rose 4.9% from a year ago, a slight drop that makes a break from rate hikes likely* | The inflation reading has declined from a recent peak of 9.1% in June 2022, but remains historically high. | The Wall Street Journal | 05/11/2023 | Gabriel T. Rubin |
|  |  |  |  |  |
| Quandary for Home Buyers: Nobody’s Selling | Many Americans who want to move are trapped in their homes – locked in by low interest rates they can’t afford to give up.  This could dull the Federal Reserve’s efforts to slow inflation by cooling the economy. | The Wall Street Journal | 05/11/2023 | Nicole Friedman |
|  |  |  |  |  |
| S&P, Nasdaq Rise After Inflation Data  *Tech sector leads way; Treasurys rally with yield on 10-year note falling to 3.438%* | The consumer price-index rose to 4.9% in April from a year earlier, easing slightly from a 5% increase in March. It was up 0.4% for the month, in line with economists’ expectations.  The yield on the 10-year Treasury note dropped sharply after the data as bond prices rose, settling at 3.438%.  Though inflation remains higher than the Federal Reserve’s 2% target, the data reassured some investors that the central bank could be done raising interest rates for now. It marked the first CPI reading below 5% in around two years and the latest sign that prices are easing.  “I don’t think there are any surprises” in the data, said Hal Reynolds, co-chief investment officer in Los Angeles Capital.  Mr. Reynolds said investors have become less concerned about inflation and increasingly concerned about an economic slowdown.  Others were more cautious about the latest inflation data.  “it’s not bad news, but there’s no good news in there at all,” said Art Laffer, the founder of Laffer Associates.  In the cryptocurrency market, bitcoin traded at $27,895.67 late Wednesday, up $225.88, or 0.82% Ether traded at $1,858.80, up $10.16, or 0.55%.  In currency markets, the WSJ Dollar Index fell 0.2%. The dollar fell against the euro, British pound and Japanese yen. | The Wall Street Journal | 05/11/2023 | Gunjan Banerji |
|  |  |  |  |  |
| S&P 500 Falls Despite Tech Rally | Thursday’s indicator of slowing inflation, which arrived a day after federal data showed consumer prices eased in April for the 10th straight month, would seem to provide a springboard for stocks to take off and sustain gains.  “but there’s no rest for the weary until that debt ceiling gets resolved,” said Karyn Cavanaugh, chief investment officer at Carolinas Wealth Management.  Regional banks continued showing signs of strain. | The Wall Street Journal | 05/12/2023 | David Uberti |
|  |  |  |  |  |
| OPEC Signals Stronger Demand Ahead | Supply disruptions in Iraq and Nigeria caused OPEC to pump less oil in April, further straining a tight oil market as some of the group’s largest producers are set to slash output sharply within weeks.  The declines come as the Vienna-based oil producers’ group left its forecasts for global oil demand and supply unchanged, meaning it continues to foresee stronger demand later this year which the oil market could struggle to satisfy – raising the threat of higher oil prices.  Together the declines outweighed a modest increase in output in Saudi Arabia and Iran.  The declines come as the oil producers’ cartel, which has consistently struggled to meet its own production targets, plans to further reduce its production levels.  Despite initially rising following those cuts, oil prices have tumbled in recent weeks over concerns about the health of U.S. banks heightening fears of a recession that would crimp demand for crude.  It fell 1.9% to close Thursday at $74.98 a barrel. | The Wall Street Journal | 05/12/2023 | Will Horner |
|  |  |  |  |  |
| Shares of Energy Firms Are in the Doldrums | Share of oil-and-gas companies led the market last year. This year, they are the biggest laggards.  Energy stocks comprise the worst-performing sector of the S&P 500this year, down10%, compared with the broad index’s 7.6% gain.  That comes after the S&P 500 energy sector rallied 59% in 2022, the only segment of the index to end the year with gains…  “The performance of an energy stock is going to be driven by supply and demand of oil,: said Fernando Soto, a senior vice president in Brown Brothers Harriman’s private banking division. “It’s very, very difficult to predict that.” | The Wall Street Journal | 05/12/2023 | Hannah Miao |
|  |  |  |  |  |
| Economic Cooling Seen in Prices and Job Market | The U.S. economy showed fresh signs of cooling, with a reading of supplier inflation moderating…  Large companies in industries such as technology, real estate and finance have announced cuts in recent months.  Consumer inflation edged slightly lower in April but remains historically high. The consumer-price index rose 4.9% last month from a year earlier… | The Wall Street Journal | 05/12/2023 | Harriet Torry and Sarah Chaney Cambon |
|  |  |  |  |  |
| What’s News | ♦ The Bank of England raised its key interest rate for the 12th consecutive time and signaled more increases are possible. | The Wall Street Journal | 05/12/2023 |  |
|  |  |  |  |  |
| Skittish Investors May Lift Stocks  *Fund managers have lowest exposure to equities relative to bonds since 2009* | Turmoil in the banking sector has dragged fund managers’ enthusiasm for stocks to a 2023 ebb, according to Bank of America’ most recent monthly survey.  Institutions have pulled a net $333.9 billion from stocks over the past 12 months, according to S&P Global Market Intelligence data,…The S&P 500 slipped 0.3% this past week and has made little progress since the end of March, stalling after a strong start to the year for highflying tech companies the has left the index up 7.4% for the year. | The Wall Street Journal | 05/15/2023 | Jack Pitcher |
|  |  |  |  |  |
| Small Businesses Put Hiring Plans on Ice | A growing number of small businesses have hit the brakes on hiring.  The portion of small-business owners who expected to expand their workforce over the next year was below 50% for the second months in a row in May, hitting the lowest level since June 2020, during the early months of the Covid-19 pandemic, according to a recent survey conducted for The Wall Street Journal.  Fears of an economic slowdown also have made small-business owners more cautious – and less willing to pay up for talent. | The Wall Street Journal | 05/17/2023 | Ruth Simon |
|  |  |  |  |  |
| Officials Debate Pause on Rate Rises | The central bank has lifted its benchmark federal-funds rate at its last 10 policy meeting by a cumulative 5 percentage points, most recently by a quarter percentage point on May 3 to a range between 5% and 5.25%, a 16-year high. | The Wall Street Journal | 05/17/2023 | Nick Timiraos |
|  |  |  |  |  |
| Corrections & Amplifications | A U,S. News article on Saturday about Federal Reserve governor Michelle Bowman contained a garbled paragraph. It should have read: But a substantial minority of Fed officials expected rates would need to rise by a further quarter point from current levels if the economy performed in line with their expectations. | The Wall Street Journal | 05/17/2023 |  |
|  |  |  |  |  |
| Trend of Employees Returning To Offices Is Stalled | About 58% of companies allow employees to work a portion of their week from home,…  The number of companies that require employees to be in the office full time has actually declined to 42%, from 49% three months ago…  Employees at companies with hybrid strategies work an average of 2.5 days a week in the office. | The Wall Street Journal | 05/17/2023 | Peter Grant |
|  |  |  |  |  |
| What’s News | ♦ China’s post-Covid growth spurt is sputtering and its youth unemployment rate hit a record, signaling trouble for a recovery that was expected to boost the global economy. | The Wall Street Journal | 05/17/2023 |  |
|  |  |  |  |  |
| What’s News | ♦ Americans boosted their retail spending in April, a sign of consumers’ continued resilience despite high inflation and rising interest rates. | The Wall Street Journal | 05/17/2023 |  |
|  |  |  |  |  |
| AI Could Spark Next Financial Crisis, SEC Chief Says | The next financial crisis could emerge from firms’ use of artificial intelligence, Securities and Exchange Commission Chair Gary Gensler said, warning of the potential “systemic risk” posed by the technology’s proliferation. | The Wall Street Journal | 05/17/2023 | Richard Vanderford |
|  |  |  |  |  |
| Indexes Slip Despite Gains In Communications, Tech Areas | The S&) 500 slipped 0.6%, while the Nasdaq Composite edged 0.2% lower. The Dow industrials fell 336 points, or 1%.  The debt ceiling also has rattled the market for short-term U.S. government debt.  Prices for Treasurys fell following the retail-sales report, pushing yields higher. The yield on the 10-year Treasury rose to 3.553% from 3.506% Monday.  The two-year yield, which is particularly sensitive to monetary-policy expectations, finished at 4.072% … | The Wall Street Journal | 05/17/2023 | Eric Wallerstein |
|  |  |  |  |  |
| Don’t Swing at the Yield Curve | When the Federal Reserve pushes short-term interest rates above long-term Treasury yields, it has typically been a sign that the central bank has tightened to the point that a downturn beckons. Confidence in the predictive power of such yield-curve inversions is a big part of why many investors believe the economy is now destined for a recession.  But what if the yield curve isn’t inverted because the Fed raised rates to high, but because long-term Treasury yield are too low?  But there have been 2-year/10-tear inversions where no recession ensued.  Right now, investors think rate cuts will be coming in short order. Interest-rate futures imply the central bank will have cut its rate range, which currently stands at 5% to 5.25%, by at least a half-percentage point by the end of this year. By this time next year, they suggest the range will have been cut to around 3.75 to 4.0%.  Yet that would still leave rates higher than investors, on balance, seem to think they ought to be. | The Wall Street Journal | 05/18/2023 | Justin Lahart |
|  |  |  |  |  |
| Stocks Rise on Likelihood of Debt Vote  *Tech shares including Apple, Microsoft hit 52-week highs’ Treasury yields climb* | The S&P 500 rose 0.9% to close at the highest level since Aug. 25.  Investors have been seeking confirmation that debt-ceiling talks are progressing….  The labor market continues to prove its resiliency – forcing some traders to second-guess their bets on the Federal Reserve pausing rate increases. The 10-year Treasury yield rose to 3.647%, closing higher for a fifth straight day. | The Wall Street Journal | 05/19/2023 | Jack Pitcher |
|  |  |  |  |  |
| Home Sales Drop 23% on Year, Prices Slip | Sales of previously owned homes fell in April from the prior month and prices declined from a year earlier by the most in more than 11 years.  U.S. existing-home sales, which make up most of the jousting market, fell 3.4% in April from the prior month to a seasonally adjusted annual rate of 4.28 million, the National Association of Realtors said Thursday. April sales fell 23.2% from a year earlier.  The national median existing-home price fell 1.7% in April from a year earlier to $388,800, the biggest year-over-year price decline since January 2012, NAR said.  Home prices have fallen the most in the Western half of the U.S., while prices continue to rise from a year earlier in many Eastern markets. | The Wall Street Journal | 05/19/2023 | Nicole Friedman |
|  |  |  |  |  |
| Fed Has ‘Loathsome’ Options if U.S. Can’t Pay Its Bills | Washington’s debt-limit impasse could soon force the officials at the Federal Reserve to revisit a crisis-management play-book they put together during similar fights a decade ago.  Severe financial turmoil from the threat of a missed payment could compel the Fed to run to the rescue.  The Fed’s options include buying Treasurys shunned by investors because of the risk of a delayed payment or allowing banks to pledge defaulted securities as collateral for loans from the central bank…  The current conflict differs from earlier episodes because the Fed has raised aggressively over the past year to combat inflation. In a severe financial crisis, the central bank could be torn between taking steps to ease financial strains at the same time that it is trying to slow the economy by tightening financial conditions. | The Wall Street Journal | 05/19/2023 | Nick Timiraos |
|  |  |  |  |  |
| Stocks Drop to End Week After Talks on Debt Stall | Fear crept onto Wall Street Friday after talks to raise the debt ceiling sputtered in Washington, bringing a week of steady trading to a tense conclusion.  Stocks fell as investors second-guessed optimism about the negotiations that had built earlier in the week.  Further darkening the outlook were comments from Fed Chair Jerome Powell that cast doubt on whether the central bank will raise interest rates again next month.  …the Dow fell 109.28 points, or 0.3%, to end at 33426.63…  All three indexes still finished the week in the green, with the S&P and Dow industrials notching their first positive week so far this month. The Nasdaq rose more than 3% for the week.  The two-year yield rose to 4.287%, from 4.269% on Thursday. The benchmark 10-year yield crept upward, finishing at 3.690%...  Financial stocks lost ground Friday but ended the week in positive territory… | The Wall Street Journal | 05/20-21/2023 | Matt Grossman |
|  |  |  |  |  |
| Dow Falls as Traders Await Talks on Debt | The tech-heavy Nasdaq Composite rose 0.5%to a 2023 high, while the S&P 500 ticked less than 0.1% higher. The indexes are up on the year 22% and 9.2%, respectively. The Dow Jones Industrial Average shed 0.4%, or about 140 points, to leave it up just 0.4% this year.  High yields on short-term Treasurys are giving investors an attractive place to wait out the resolution of macro issues, such as the debt-ceiling stand-off and the Fed’s next rate decision, said Christian Chan, chief investment officer at AssetMark. | The Wall Street Journal | 05/23/2023 | Ryan Dezember |
|  |  |  |  |  |
| Container Shipping Has Cratered | Boxship owners are incurring losses on once-lucrative trans-Pacific routes from Asia as weaker demand for apparel, furniture and electronics cuts into ocean carriers’ earnings.  It is an ominous sign as the shipping industry approaches its peak season. Demand normally rises during the summer and early autumn as retailers bring in higher levels of merchandise for crucial selling periods, such as the year-end holidays.  Ship operators including A.P. Moller-Maersk and Hapag-Lloyd say they need freight rates to increase to cover their operating costs. For now, there are too many ships in the water bidding for cargo, resulting in heavy competition on prices.  Box-ship operators were among the biggest pandemic winners.  Pricing power for ship operators has diminished …  The International Monetary Fund forecast in April that global economic growth will fall to 2.8% this year from 3.4% in 2022.  It said the slowdown is expected to be more pronounced in advanced economies such as the U.S. | The Wall Street Journal | 05/23/2023 | Costas Paris |
|  |  |  |  |  |
| Small Businesses Hit Hardest By Fed’s Rate-Rise Campaign | For companies that need to borrow money these days, it pays to be big.  The Federal Reserve’s rate-rising campaign has put a notable crimp in financing in companies with smaller payrolls and valuations . The average rate for a loan from the U.S. Small business Administration, which historically costs less than a bank loan, has reached double digits, driving many small firms to borrow less.  Large companies are adding to the pandemic’s historic borrowing rush, mostly by issuing bonds in public markets. That has helped many to pay workers, continue mergers and acquisitions and buy back their own stock in the tumultuous times since. Issuance has climbed recently, and rating firms S&P Global expected that nonfinancial U.S. companies will sell more bonds in 2023 than they did last year.  U.S. companies with between one and nine employees laid off or fired 314,000 workers in March, more than twice as many as in February,…  A recent survey of small-business owners from Goldman-Sachs 10,000 Small businesses Voices found 77% reporting they are concerned about their ability to access capital.  This owes largely to the Fed’s action and recent regional bank stress, said Joe Wall, national director of Goldman-Sachs 10,000 Small Businesses Voices. “The net effect is that lending is just tightening across the board for small businesses,” he said. | The Wall Street Journal | 05/23/2023 | Dion Rabouin |
|  |  |  |  |  |
| Chevron Doubles down on Shale | Chevron deepened its commitment to oil-and gas drilling in the U.S., spending more than $6 billion to acquire a rival with sizable operations in Texas and Colorado.  The transaction also boosts chevon’s position in its major U.S. onshore plan, the Permian Basin of West Texas and New Mexico, the most prolific American oil patch but one where chevron and many other companies have seen well-productivity issues over the past year.  The deal comes as big oil companies are working out how to spend a giant influx of cash that sluiced into their coffers last year as oil and gas prices hit multiyear highs… | The Wall Street Journal | 05/23/2023 | Collin Eaton and Colin Kellaher |
|  |  |  |  |  |
| What’s News | ♦ Economic activity in the U.S. posted the sharpest rise this month since April 2022, according to data firm S&P Global’s surveys of purchasing managers. | The Wall Street Journal | 05/24/2023 |  |
|  |  |  |  |  |
| What’s News | ♦ Stocks extended declines Wednesday, reflecting rising anxieties about a U.S. default as Republican lawmakers pressed the While House for spending cuts in exchange for raising the nation’s borrowing limit. The S&P 500, Dow and Nasdaq fell 0.7%, 0.8%, and 0.6%, respectively. | The Wall Street Journal | 05/25/2023 |  |
|  |  |  |  |  |
| What’s News | ♦ Fed officials agreed unanimously to lift interest rates at their meeting this month but split on whether they would need to raise them in June, with some ready to pause, minutes of the May meeting show. | The Wall Street Journal | 05/25/2023 |  |
|  |  |  |  |  |
| What’s News | ♦ Germany slipped into recession during the first three months of the year, as households cut spending in response to sharply higher prices for energy and food. | The Wall Street Journal | 05/26/2023 |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| Tech Stock Rally Leaves Small-Caps Behind | Shares of large companies are racing past their smaller counterparts again.  The Russell 1000 index of large companies has gained 9.2% this year, beating the 0.7% advance of the small-cap-concentrated Russell 2000. That is the widest outperformance since 1997, when looking at years in which the Russell 1000 has been in positive territory through May 26, Dow Jones Market Data show.  The gains in the large-cap index have been driven largely by a handful of big technology stocks.  The small-cap index has been pressured in part by big declines in regional-bank stocks. | The Wall Street Journal | 05/30/2023 | Hardika Singh and Brenda León |
|  |  |  |  |  |
| Fading Recovery In China Reveals Deeper Problems | Chinas’ era of repaid growth is over. Its recovery from zero-Covid is stalling. And now the country is facing deep, structural problems in its economy.  The property boom and government overinvestment that fueled growth for more than a decade have ended. Enormous debts are crippling households and local governments.  Chinese leader Xi Jinping’s crackdowns on private enterprise have discouraged risk-taking, while deteriorating relations with the West… | The Wall Street Journal | 05/31/2023 | Stella Yifan Xie and Jason Douglas |

The first five years – A study found that ½ of retirees were financially unable to maintain the same spending level for the first five years of retirement (excluding “new retiree” expenses like travel) and had to reduce their expenses by 28% by the 6th year of retirement. The ½ that could afford to maintain a constant spending level for the first 5 years decreased their expenses by only 19% (source: Consumer Financial Protection Bureau).

The material has been prepared or distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. This material contains information from sources believed to be reliable, however, the accuracy and completeness of the information is not guaranteed.

Any opinions and forecasts expressed in this material are those as of June 2023 and are subject to change at any time, based on market and other conditions.  There is no guarantee that the current market will yield the same results as those in the past. The investment return and principal value of securities will fluctuate and may be worth more or less than original cost when sold.  Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment losses.

Market Indexes are commonly accepted benchmarks for certain classes of securities.  Market indexes are comprised of individual stocks or bonds which are not actively managed and cannot be purchased directly by investors.

Because investors’ situations and objectives vary, this material is not intended to indicate suitability for any particular investor.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity.

We believe the sources to be reliable, however, the accuracy and completeness of the information is not guaranteed. In the event of any discrepancy, the sponsor’s valuation shall prevail.

Securities and advisory services offered through Independent Financial Group LLC, a registered broker-dealer and investment advisor, Member FINRA/SIPC. (OSJ: 12671 High Bluff Dr. Ste. 200, San Diego, CA 92130) Independent Financial Group LLC and Juengling & Associates are independently owned and operated.

Prepared by James M. Juengling.

Juengling & Associates