|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **RESOURCE LOG – SEPTEMBER 2022** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| What’s News | ♦ U.S. stocks decline for a fourth straight day, with the S&P 500, Dow and Nasdaq losing 0.8%, 0.9% and 0.6%, respectively. Major indexes slid between 4% and 5% in August. | The Wall Street Journal | 09/01/2022 |  |
|  |  |  |  |  |
| What’s News | ♦ Eurozone inflation rose to a record in August, with consumer prices 9.1% higher than a year earlier, increasing pressure on the ECB to respond aggressively. | The Wall Street Journal | 09/01/2022 |  |
|  |  |  |  |  |
| Oil Prices Extend Fall Amid Growth Concerns  *Crude has a third straight losing month as market sees strong chance of a recession* | Oil prices shed nearly 8% over the past two days and posted their third straight monthly decline, signs that recession worries are upstaging concerns over dwindling supplies of crude at home and abroad.  Benchmark U.S. oil futures ended Wednesday at $889.55 a barrel, down from Monday’s closing price of $97.01. Brent crude, the main international price, fell 12% in August to $96.49 a barrel.  Diminished trading activity has fostered wild price swings and sent oil prices on a bumpy ride from more than $120 a barrel in March, right after Russia invaded Ukraine. | The Wall Street Journal | 09/01/2022 | Ryan Dezember and Anna Hirtenstein |
|  |  |  |  |  |
| There Is Still No Bottom For China’s Economy | Some familiar problems haunted China’s economy in August: power shortages, the housing market implosion and collateral damage from “zero-Covid” policies. The latter two are fundamentally political as well as economic, but the will to tackle them seems lacking so far. That makes another step down in Chinese growth this fall likely. | The Wall Street Journal | 09/01/2022 | Nathaniel Taplin |
|  |  |  |  |  |
| Investor Hopes Are Shrinking For Fed to Plot a Soft Landing | Investors settled into a sense of unease a head of Friday’s jobs report, with many now convinced the Federal Reserve will keep tightening monetary policy no matter what the economic data show.  U.S. stocks have fallen…  Other markets remained under pressure. Gold, oil and other commodities fell, and bond yields hit their highest levels since June. Bond yields and prices move inversely.  Ordinarily, a strong economic report should be viewed as good news by investors. But this time around, many investors fear that an impressive red would only give the Fed more resolve to keep raising interest rates. | The Wall Street Journal | 09/02/2022 | Akane Otani |
|  |  |  |  |  |
| U.S. Stocks Give Up Gains on Fed Fears | A late-summer selloff in the stock market accelerated in a volatile session Friday, with investors betting an encouraging monthly jobs report wouldn’t ultimately alter the Federal Reserve’s course on interest rates.  The end-of-week moves continued a stretch of turbulence that dragged the S&P 500 down 3.3% for the week and 8.3% over the past three weeks.  The Dow Jones Industrial Average shed 337.98 points, or 1.1%, to 31318.44. the Nasdaq tumbled 4.2% for the week, while the Dow shed 3%. | The Wall Street Journal | 09/03-04/2022 | Caitlin Ostroff and Gunjan Banerji |
|  |  |  |  |  |
| Bond Yields F all on Higher August Unemployment | The rally arrested an August downturn for bonds, which had worsened as traders worried about how high the Fed might raise interest rates and how long it might hold them there.  In recent weeks, tough talk from Fed chairman Jerome Powell and other U..S. central bankers fueled fears that the Fed could hold a staunch anti-inflation stance well into 2033, sending short-term bond yields to their highest levels in 14 years. Yields rise as bond prices fall.  The 10-year yield slid to 3.19%, from 3.264% Thursday. | The Wall Street Journal | 09/03-04/2022 | Matt Grossman |
|  |  |  |  |  |
| Another Doomsday Scenario Is Looming | The Fed doubles the pace of its bond runoff this month, aiming to reduce its Treasury holdings by $60 billion and its mortgage-backed securities by $35 billion monthly. Those concerned about the impact include hedge fund giant Bridgewater, which thinks markets will fall into a “liquidity hole” as a result.  Bank of America equity strategist Savita Subramanian says QT alone could lead to a 7% stock price drop as the boost from QE is reversed. | The Wall Street Journal | 09/06/2022 | James Mackintosh |
|  |  |  |  |  |
| Ocean Shipping Rates Plunged 60% this Year | Freight rates on the main ocean trade routes are sinking during what is typically the industry’s peak season after cargo owners shipped holiday goods early and inflation dented consumer demand.  Freight rats jumped roughly 10-fold in 2021 because supply-chain disruptions, port backlogs and a surge of cargo left importers scrambling for space on box s hips.  This year, Walmart and other retailers ended up with too much inventory after they raced to import foods earlier than usual, anticipating shipping delays and demand that didn’t materialize.  Shipping rates are set to further ease for the remainder of the year and in 2023… | The Wall Street Journal | 09/06/2022 | Costas Paris |
|  |  |  |  |  |
| Stocks Funds Are Down 17.3% in 2022 | The average U.S.-stock mutual fund or exchange-traded fund is down 17.3% for the year to date, through August, according to Refinitiv Lipper data. That includes a 3.5% average decline in August, reflecting the stock markets reaction to Fed chairman Jerome Powell’s comments that the central bank will keep raising interest rates to fight inflation…  International-stock funds fell 5.3% during August, on average, to push their year-to-date decline to 21.5%.  Bond funds also declined in August. Funds tied to intermediate-maturity investment-grade debt (the most common type of fixed-income fund) fell 2.6% and are down just over 11% for 2022 so far. | The Wall Street Journal | 09/06/2022 | William Power |
|  |  |  |  |  |
| The Smartest Ways To Join the Rush Into Dividend Stocks | Dividend Stocks have become the new darling on Wall Street, and investors looking for income are pouring billions of dollars into them.  These securities are considered a good buffer during times of market volatility. They also are seen as an inflation hedge, considering that S&P dividend growth has outpaced inflation since 2000. | The Wall Street Journal | 09/06/2022 | Lori Ioannou |
|  |  |  |  |  |
| Which Assets Do Best Before – And During – A Recession | We studied the seven recessions in that period (1973-75, 1980, 1981-82, 1990-91, 2001, 2007-09 and 2020) and found that growth stocks led the way in the lead-up to recession. But, once we entered a recession, fixed income far outperformed equity, with international stocks providing the worst returns by far.  The asset classes we examined were U.S. high-yield bonds, U.S. long-term bonds, U.S. short-term bonds, U.S. total fixed income, U.S. grown stocks, U.S. value stocks, U.S. small-cap equity, international equity and U.S. large-cap equity.  On the equity side, international equity was easily the worst performer in a recession…  The takeaway from it all, if history can tell us anything, is that once we enter a recession, the average investor best be prepared to head toward fixed-income assets and get out of international equities. | The Wall Street Journal | 09/06/2022 | Derek Horstmeyer |
|  |  |  |  |  |
| Truss Is Picked to Lead U.K. As It Faces Economic Turmoil | Britain’s slowing economy is poised to enter recession, inflation is at its highest rate in decades and households are facing crippling energy bills from the war in Ukraine.  Productivity growth has dropped to half the rate it was in the early 2000s, real wages have stagnated, the pound is nearing record lows and an aging population is placing a growing strain on public services…  Britain’s exit from the European Union ahs hampered trade with the country’s largest trading partner, and immigration restrictions have choked off access to inexpensive European labor.  The country is on track to record that lowest economic growth and the highest inflation in the Group of Seven rich countries next year, according to the Organization for Economic Cooperation and Development. | The Wall Street Journal | 09/06/2022 | Max Colchester |
|  |  |  |  |  |
| Energy Prices Jump in Europe After Russia Shuts Pipeline | Power prices surged, European currencies hit multidecade lows and governments worked to contain the economic hit after Russia cut its main natural-gas pipeline to Europe.  Natural-gas and electricity prices initially leapt by a third before settling up more than 10% on Monday in response to the shutdown of the Nord Stream pipeline to Germany, announced by state-controlled Gazprom PJSC after markets closed last week. | The Wall Street Journal | 09/06/2022 | Joe Wallace and Kim Mackrael |
|  |  |  |  |  |
| Junk-Loan Defaults Trigger Jitters About a Credit Crunch | Financial pain is spreading in the junk-loan market, showing how interest-rate increases are hurting debt-laden companies and worrying investors that a credit crunch looms as the economy slows.  The higher the central bank raises rates, the tighter the squeeze on companies that borrowed when rates were close to zero.  Bank of America Corp., UBS Group AG and Morgan Stanley, which called the loans a “canary in the credit coal mine.”  Falling loan ratings are prices will make it harder for companies to borrow to fund growth or to repay their existing debts. Tighter financing also drags on growth, increasing the risk of the U.S. economy falling into a hard landing. | The Wall Street Journal | 09/07/2022 | Matt Wirz |
|  |  |  |  |  |
| China Export Boom Sputters As Inflation Tightens Its Grip | The export boom that has powered China’s economy through the pandemic decelerated in August, reflecting the impact from rising inflation and slowing growth elsewhere in the world.  The slowdown in exports threatens to erode the pillar that has held up growth in the world’s second-largest economy…  Slowing exports partly reflect disruptions in factory production because of temporary power shortages…  Recent flare-ups of covid-19 cases, however, threaten to disrupt manufacturing in more cities as authorities step up restrictions.  Other economies in the region are showing signs of weakening exports. | The Wall Street Journal | 09/08/2022 | Stella Yifan Xie |
|  |  |  |  |  |
| Nasdaq Slump Stops At 7 Days | The Nasdaq Composite Index rose 2.1% on Wednesday, snapping a seven-day losing streak, the worst stretch for the technology-heavy index since 2016.  The broader S&P increased 71.68 points, or 1.8%, to 3979.87, its best performance since Aug. 10. Except for energy stocks, each of the S&P’s 11 sectors notched gains . The Dow Jones Industrial Average rose 435.98 points, or 1.4%, to 31581.28.  Meanwhile, oil prices fell to their lowest level since before the invasion of Ukraine.  Stocks and commodities have fallen for three consecutive weeks on three-pronged concerns for the world economy.  Europe’s energy crisis is shutting down parts of industry and saddling governments with enormous bills. | The Wall Street Journal | 09/08/2022 | Joe Wallace and Eric Wallerstein |
|  |  |  |  |  |
| Average Mortgage Rate Rises To 5.89% | Mortgage rates touched their highest level in nearly 14 years this week, another blow to the rapidly cooling housing market.  The average rate on a 30-year fixed mortgage rose to 5.89%, topping an earlier high from June, according to a weekly survey by Freddie Mac released Thursday. This time last year, rates were below 3%. | The Wall Street Journal | 09/09/2022 | Ben Eisen |
|  |  |  |  |  |
| What’s News | ♦ The ECB raised interest rates by the largest amount since the early days of Europe’s currency union, moving aggressively to combat record inflation even as an energy crisis puts Europe on the brink of recession. | The Wall Street Journal | 09/09/2022 |  |
|  |  |  |  |  |
| What’s News | ♦ Powell said the Fed is squarely focused on bringing down high inflation to prevent it from becoming entrenched, firming expectations of a third consecutive 0.75 percentage-point rate rise later this month. | The Wall Street Journal | 09/09/2022 |  |
|  |  |  |  |  |
| What’s News | ♦ U.S. stocks rose Friday and posted their first weekly gains in a month, offering a reprieve to a market that had been weighed down by fears on monetary policy. The S&P 500, Nasdaq and Dow climbed 3.5%, 4.1% and 2.7%, respectively, for the week. | The Wall Street Journal | 09/10-11/2022 |  |
|  |  |  |  |  |
| Oil Slumps Amid Geopolitical Turmoil | Another turbulent week in oil markets, carried crude prices to their lowest point since January, with thin trading and a blurry outlook for supply and demand driving a 30% decline from this year’s highs.  A 5.9% gain since Wednesday notwithstanding, the main U.S. oil benchmark shed about $35 a barrel since peaking above $122 three months ago. West Texas Intermediate closed Friday at $86.79. Brent crude futures, the primary international price gauge, ended at $92.84.  The decline in trades has reduced liquidity-the ability to carry out transactions at expected prices without causing big moves in prices or disorderly trading – in markets that were already hampered by thin trading and prone to wild swings, traders said. | The Wall Street Journal | 09/12/2022 | Ryan Dezember |
|  |  |  |  |  |
| What’s News | ♦ A rally in technology shares helped the stock market snap a three-week losing streak, but there are already signs that reprieve may be short-lived. | The Wall Street Journal | 09/12/2022 |  |
|  |  |  |  |  |
| What’s News | ♦ Another turbulent week in oil markets carried petroleum prices to their lowest point since January. | The Wall Street Journal | 09/12/2022 |  |
|  |  |  |  |  |
| Europe’s Industry Reels at Gas Shutoff | European industry thrived for decades on a steady supply of cheap Russian gas, which flowed uninterrupted throughout the Cold War and other times of tension between Moscow and the West.  Since invading Ukraine, Russian Preside Vladimir Putin has weaponized the country’s vast stores of energy to undermine support for Kyiv.  The impact has pushed Europe to the brink of recession and threatens to inflict lasting harm on its manufacturing businesses.  Europe’s energy crisis has left few businesses untouched… | The Wall Street Journal | 09/12/2022 | Joe Wallace, David Uberti, Georgi Kantchev and William Boston |
|  |  |  |  |  |
| Tech Stocks’ Outlook Darkens After Swings | Even after rallying 4.1% this past week, the tech-heavy gauge is still down around 3.1% over the past month, underperforming the S&P 500, which is off 1.3%. In 2022, the Nasdaq has fallen 23% and is headed toward its worst annual performance relative to the broad benchmark since 2002.  Tech stocks have been more susceptible to rapidly shifting sentiment in the bond market-which is in one of the most intense downturns in decades-than many other corners of the stock market. That is in part because rising yields make their future cash flows less attractive and have led many investors to flee the shares.  Much of the debate around tech’s performance hinges on the path of Treasury yields in the coming months.  If inflation keeps falling and economic growth flounders, that could be a boon to the sector, especially if the Fed eventually eases up on raising interest rates, some investors said. | The Wall Street Journal | 09/12/2022 | Gunjan Banerji |
|  |  |  |  |  |
| Stocks Rise Before Inflation Data | Stocks rose ahead of inflation data that are expected to show further cooling or consumer prices.  The S&P 500 gained 43.05 points, or 1.1%, to 4110.41 after it closed higher for the week on Friday. The Dow Jones Industrial Average added 229.63, or 6.7%, to 32381.34. The technology-heavy Nasdaq Composite climbed 154.10, or 1.3%, to 12266.41 All three indexes logged their fourth consecutive trading day of advances.  Indexes have charted a steady rise in recent sessions as concerns about large interest-rate increases have been alleviated.  Tumbling commodity prices have lifted hopes that the worst of inflation has passed. Meanwhile, the labor market has remained a source of economic strength.  U.S. consumer-price inflation data, due Tuesday, will likely dominate investors’ focus this week.  The data are expected to show August was the second month of cooling inflation pressures.  The yield on the benchmark 10-year Treasury note rose to 3.361% from 3.321% on Friday. | The Wall Street Journal | 09/13/2022 | Will Horner and Justin Baer |
|  |  |  |  |  |
| Finance Chiefs Struggle to Pinpoint Guidance | Finance chiefs, through their annual guidance, offer clues on the health of the business.  In the second quarter, 120 S&P 500 companies revised their annual revenue or earnings-per-share forecasts, 50% more than did so in the same period last year according to Calcbench, Inc., a data provider.  Still, inflation is denting consumer demand, interest rates are ratcheting higher and the energy crisis in Europe and the outlook for China will continue to cast long shadows on the U.S. economy.  In recent months, other companies have revised their guidance downward. In the second quarter, 40 S&P 500 companies trimmed their outlooks, more than double the number in the prior-year period, Calcbench said. | The Wall Street Journal | 09/13/2022 | Jennifer Williams-Alvarez |
|  |  |  |  |  |
| Weaker Earnings Forecasts Test Rise In Stocks  *Analysts cut estimates by their most since 2020 as companies sound more downbeat* | Stocks are riding a tentative recovery, with the S&P 500 up 1.1% on Monday, but whether they can keep their momentum hinges in part on how earnings season plays out next month.  Analysts have cut their estimates for third-quarter earnings growth by 5.5 percentage points since June 30, according to John Butters, senior earnings analyst at FactSet.  Companies also have been looking increasingly pessimistic lately. A total of 240 companies in the S&P 500 mentioned recession on their postearnings conference calls for the latest quarter… | The Wall Street Journal | 09/13/2022 | Akane Otani |
|  |  |  |  |  |
| Stocks Sink on Dashed Inflation Hopes | U.S. consumer prices increased sharply in August from July after excluding volatile food and energy prices, showing that inflation pressures remained strong and stubborn even as the year over year increase was slightly slower.  The Labor Department reported on Tuesday its consumer-price index rose 8.3% in July and from 9.1% in June, which was the highest inflation rate in four decades. The CPI measures what consumers pay for goods and services.  So-called core CPI, which excludes energy and food prices, increased 6.3% in August from a year earlier, up markedly from the 5.9% rate in both June and July – a signal that broad price pressures strengthened.  Inflation has recently shown signs of easing for some goods and services. Gasoline prices declined 10.6% in August from July according to the CPI report. | The Wall Street Journal | 08/14/2022 | Gwynn Guilford |
|  |  |  |  |  |
| S&P 500 500 Suffers Worst Day in Over Two Years, as Investors Reconsider Rate Outlook | Investors sold everything from stocks and bonds to oil and gold. All 30 stocks in the Dow Jones Industrial Average declined, as did all 11 sectors in the S&P 500. Only five stocks in the broad benchmark finished the session in the green.  The Dow fell 1.276.37 points, or 3.9%, to 31104.97. the S&P 500 declined 177.72 points, or 4.3%, to 3932.69. The Nasdaq Composite slid 632.84 points, or 5.2%, to 11633.57.  All three indexes posted their steepest one-day losses since June 11, 2020. The declines left the Dow industrials down 14% in 2022, while the S&P 500 has lost 17% and Nasdaq Composite has retreated 26%.  The communication services, technology and consumer discretionary sectors of the S&P 500 all fell more than 5%. Semiconductor stocks were particularly hard hit. Nvidia, Advanced Micro Devices and Micron Technology declined more than 7%.  In bond markets, the yield on the benchmark 10-year U.S. Treasury note jumped to 3.422%-near its highest level of 2022…  Brent crude, the international benchmark for oil prices, fell 0.9% to $93.17 a barrel. Gold prices declined 1.3%.  The dollar by contrast, rallied Tuesday. | The Wall Street Journal | 09/14/2022 | Karen Langley and Caitlin Ostroff |
|  |  |  |  |  |
| Treasurys Sink After Inflation Report  *Yield jumps to near 2022 high on surprisingly strong increase in core CPI* | Treasury yields, which rise when bond prices fall, had drifted lower overnight. But they got a jolt at 8:30 a.m. ET, when the Labor Department released its latest consumer-price index report.  The yield on the 10-year U.S. Treasury note settled at 3,422%...  The yield on the two-year note, meanwhile, closed at 3.754% up from 3.571% Monday.  The Bloomberg Global Aggregate Total Return Index, which contains both Treasurys and corporate bonds, recently dropped into a bear market, defined as a 20% decline from a recent high.  Rising Treasury yields have also caused pain for stocks – increasing the risk-free return investors can get from holding government bonds to maturity and reducing the appeal of riskier assets unless their prices decline. | The Wall Street Journal | 09/14/2022 | Sam Goldfarb |
|  |  |  |  |  |
| Markets Keep Making the Same Inflation Mistake | The danger is that stocks and bonds have further to fall because investors are still clinging to the vestiges of the belief that inflation will soon be conquered, a bad recession avoided and so the Fed freed to pause, t hen ease.  Tuesday’s inflation figures destroyed the idea that the Fed would pause soon.  The stocks most sensitive to bond yields are those where most earnings come far in the future, growth stocks. They were clobbered by rising bond yields in the year up to mid-June, then rebounded the most as bond yields retreated and have been hit again as yields have risen since mid-August. | The Wall Street Journal | 09/15/2022 | James Mackintosh |
|  |  |  |  |  |
| Oil Demand Undermined by China | China’s economy, the world’s second-largest, is proving to be the global laggard in oil demand. Among other nations ,oil demand has remained surprisingly robust despite high inflation, rising interest rates and slowing economic growth. Oil demand in the U.S. is proving stronger than expected…  Benchmark U.S. crude futures on Wednesday added 1.34% to end at $88.48 a barrel, down 28% from this year’s peak but up about 22% from a year ago. | The Wall Street Journal | 09/15/2022 | Will Horner |
|  |  |  |  |  |
| Mortgage Rates Jump Past 6%, Hit Highest Mark Since 2008 | The average rate on a 30-year fixed mortgage climbed to 6.02% this week, up from 5.89% last week and 2.86% a year ago, according to a survey of lenders released Thursday by mortgage company Freddie Mac.  Already, it has ushered in a sea change in the housing market by adding hundreds of dollars or more to the monthly cost of a potential buyer’s mortgage payment, slowing what was a red-hot market not so long ago. | The Wall Street Journal | 09/16/2022 | Ben Eisen |
|  |  |  |  |  |
| What’s News | ♦ The biggest freight railroads and union leaders reached a tentative labor agreement to avert a nationwide strike that would have crippled segments of the U.S. economy. | The Wall Street Journal | 09/16/2022 |  |
|  |  |  |  |  |
| What’s News | ♦ Mortgage rates topped 6% this week, their highest level since 2008, giving a jolt to home buyers who last year were paying less than half that. | The Wall Street Journal | 09/16/2022 |  |
|  |  |  |  |  |
| What’s News | ♦ Major U.S. stock indexes fell, with the S&P 500, Nasdaq and Dow industrials retreating 1.1%, 1.4% and 0.6%, respectively. | The Wall Street Journal | 09/16/2022 |  |
|  |  |  |  |  |
| Stocks End Week Down On Profit, Rate Fears | U.S. stocks closed lower Friday as investors came to grips with corporate warnings that paint an increasingly dire outlook for the health of the U.S. economy.  The news pushed down stocks, with the Dow Jones Industrial Average falling 139.40 points, or 0.5%, to 30822.42. The S&P 500 dropped 28.02 points, or 0.7%, to 3873.33.  For the week, the Dow lost 4.1%, while the S&P retreated 4.8%.  The Nasdaq composite declined 103.95 points, or 0.9%, to 11448.40. It fell 5.5% for the week, its worst since June. All three indexes are down four of the past five weeks. | The Wall Street Journal | 09/17-18/2022 | Corrie Driebusch and Caitlin Ostroff |
|  |  |  |  |  |
| International Stocks Are a Disaster. That May Mean It’s time to Buy. | U.S. companies may be so much more innovative that they deserve to be more richly valued than stocks elsewhere in the world. But how much of a premium do they deserve?  Now international currencies, and stocks, are simultaneously depressed relative to the U.S. If the dollar ultimately declines from its recent record highs, that drop would crank up the returns on overseas stocks.  **Mind the Gap**  Years ago, investors valued international and U.S. stocks at similar levels. Now Non-U.S. stocks are cheaper by comparison. | The Wall Street Journal | 09/17-18/2022 | Jason Zweig |
|  |  |  |  |  |
| FedEx’s Warning Triggers Broader Worries | FedEx Corp.’s warning of a sharp drop in package deliveries set off fresh worries among investors about the outlook for the global economy, sparking another down day in stock markets.  All three major U.S. stock indexes fell Friday, capping a week where the S&P 500 declined 4.8% and the Dow Jones Industrial Average dropped 4.1%.  The chief executives at General Electric Co. and Verizon Communications Inc. also pointed this past week to signs of economic troubles.  The world’s two biggest economies, China and the U.S., have been slowing this year.  The ripples of the announcement spread. Shares of three large companies that make corrugated cardboard – International Paper co., Packaging Corp. of America and WestRock Co. – each fell at least 11%. Shares of railroad operators such as CSX Corp., Norfolk Southern corp. and Union Pacific Corp. retreated as well, a day after they averted a nationwide strike. | The Wall Street Journal | 09/17/18/2022 | Esther Fung and Will Feuer |
|  |  |  |  |  |
| What’s News | ♦ Renewed Covid-19 curbs and a worsening property downturn are dampening the outlook for China’s economy, despite some modest signs of improvement as stimulus measures kicked in. | The Wall Street Journal |  |  |
|  |  |  |  |  |
| Pentagon Presses To Limit Use of Chinese Supplies | The Pentagon is intensifying efforts to decouple U.S. defense companies’ sprawling global supply chain from China, executives and department officials said.  China’s defense budget has climbed 72% between 2012 and 2021, according to the Stockholm International Peace Research Institute.  One of biggest concerns, said Pentagon and industry leaders, is with the U.S. reliance on China for 80% of rare-earth elements, sometimes called technology minerals…  China has invested heavily in mining and refining rare earths over the past decades and dominates the global supply chain. | The Wall Street Journal | 09/19/2022 | Doug Cameron |
|  |  |  |  |  |
| Energy, Mining Make the Market Look Too Good | Strip out the energy sector and the expected rise in earnings for the S&P 500 this year drops from 8% to just over 1%, according to data from Refinitiv’s IBES.  The same goes for valuations: The S&P 500 is priced at 18 times this year’s expected earnings – hardly a bargain but at least cheaper than the 22 times that prevailed at the start of the year. Take out energy and commodities stocks, though, and the valuation jumps back up to 20 times this year’s EPS, according to Citi-group data… | The Wall Street Journal | 09/19/2022 | James Mackintosh |
|  |  |  |  |  |
| Electric Bills Rise Nationwide As Natural-Gas Prices Climb | U.S. utility customers, faced with some of their largest bills in years, are set to pay even more this winter as natural-gas prices continue to climb.  Natural-gas prices have more than doubled this year because of a global supply shortage made worse by the war in Ukraine, and they are expected to remain elevated for months…  Electricity prices have surged in many parts of the country alongside natural-gas prices as exporters ship record amounts of the fuel a broad because of supply shortages in Europe, which is working to slash its reliance on Russian supplies.  The U.S consumer-price index for electricity in August climbed 15.8% over the same month a year ago, the biggest such 12-month increase since 1981, according to a report from the U.S. Bureau of Labor Statistics. | The Wall Street Journal | 09/19/2022 | Katherine Blunt and Jennifer Hiller |
|  |  |  |  |  |
| Dollar’s Strength Spells Trouble Globally | The dollar is in the midst a once-in-a-generation rally this year, a surge t hat threatens to exacerbate the global growth slowdown and put further pressure on central banks around the world.  The dollar’s role as the primary currency used in global trade and finance means its fluctuations have widespread impacts.  In a worrying sign, attempts from policy makers in China, Japan and Europe to defend their currencies are largely failing amid the dollar’s unrelenting rise.  The dollar’s rise this year is being fueled by the Fed’s aggressive interest-rate increases, which have encouraged global investors to pull money out of other markets to invest in higher-yielding U.S. assets.  Dismal economic prospects for the rest of the world are also boosting the greenback. | The Wall Street Journal | 09/19/2022 | Chelsey Dulaney, Megumi Fujikawa Rebecca Feng |
|  |  |  |  |  |
| The Fed Can’t Reduce Inflation by Winging It | …the Fed completely misjudged how the government’s unprecedented fiscal stimulus – along with its own extraordinary monetary accommodation – would affect aggregate demand and inflation.  Several factors underscore those potential risks. First, inflation in services will persist even as the prices of energy and goods decrease. The price of shelter, the single biggest component of consumer inflation, rose 6.2% over the past year and accelerated to an annualized rate of 7.6% over the past four months.  Housing construction and home sales are now slumping, but a further pickup in rental costs is still likely.  Second, consumers’ expectations of inflation play a key role in influencing the wage- and price-setting behavior of businesses.  A crucial pitfall in the Fed’s approach has been its focus on nominal interest rates rather than the inflation-adjusted interest rate…  Nobody wants to return to the inflationary era of the 1970s, which would inevitably require a rerun of the painful disinflation of the early 1980s. Chairmen Paul Volcker and Alan Greenspan both emphasized that price stability is the best foundation for sustained economic growth, and both raised real interest rates sharply to combat inflation. | The Wall Street Journal | 09/20/2022 | Andrew T. Levin and Mickey D. Levy |
|  |  |  |  |  |
| Gold Loses Status as Haven  *Metal has lost 8.2% this year a nervous investors turn to Treasury bonds* | Investors expected sticky inflation to lift gold prices this year. Instead, the opposite happened.  The most actively traded gold contract is on pace to decline for six consecutive months, with a loss of 14% through that period so far.  Gold is prized by investors for its usual stability during times of turmoil. In early March, gold settled at a 2022 high of $2,069.40 a troy ounce. Now, it is down 8.25 so far this year, on pace for its worst annual performance since 2015.  The volatility is another example of how the Federal Reserve’s aggressive rate-raising campaign is shaking up all corners of financial markets.  Last week, the yield on the two-year Treasury hit its highest level since 2007.  JPMorgan chase & Co. analysts forecast that gold prices will keep falling…  The dollar, another haven, is further complicating matters. | The Wall Street Journal | 09/20/2022 | Hardika Singh |
|  |  |  |  |  |
| What’s News | ♦ Bond yields are trading at their highest levels in more than a decade, posing yet another threat to a stock market that has struggled to find its footing this year. On Monday, U.S. stocks rose ahead of the Fed’s interest rate decision Wednesday, with the S&P 500, Nasdaq and Dow gaining 0.7%, 0.8% and 0.6%, respectively. | The Wall Street Journal | 09/20/2022 |  |
|  |  |  |  |  |
| Stocks Decline Ahead of Fed Rate Decision | Stocks fell on Tuesday ahead of the Federal Reserve’s next policy decision as investors grappled with the impact of rising interest rates on corporate earnings and valuations.  The central bank is expected to sharply raise interest rates again on Wednesday in a bid to curb inflation…  The S&P 500 has fallen 19% this year, with rising interest rates eating into the lofty valuations that stocks enjoyed for much of the covid-19 pandemic era.  The S&P 500 dropped 1.1% Tuesday, with all 11 sectors finishing the day in the red…  The Dow Jones Industrial Average declined 313.45 points, or 1%, to 30706.23. The Nasdaq Composite fell 109.97 points, or nearly 1%, to 11425.05.  The S&P 500 trades at 16.6 times its projected earnings over the next 12 months, down from 21.5 at the end of 2021 and below the 10-year average, according to FactSet.  Higher interest rates could make investors even less inclined to pay steep valuations for portions of companies’ future profits. | The Wall Street Journal | 09/21/2022 | Karen Langley |
|  |  |  |  |  |
| Don’t Give Up on the Stock Market | Equity investors have a mounting list of worries.  None of these outcomes are predestined, and macroeconomists have failed to predict some of the most important events of the past century. But it is worth preparing for the possibility of dire economic results and asking whether standard advice to investors, such as relying on equities to produce generous long-run returns, needs to be modified if the worst occurs.  This is especially important because even after the recent decline in stock prices, valuations remain rich. The cyclically adjusted price-earnings, or CAPE, multiple for the market as a whole currently stands at 29. This is lower than a recent peak of 38 in December 2021, and well below the historic peak of 44 at the height of the dot-com bubble in early 2000. But ii is substantially above the average of 16.  Historically, with valuations this high, future 10-year equity returns have been well below average.  Despite these uncertainties, it isn’t time to give up on equities. Long-term investors saving to build a retirement nest egg need to invest in a portfolio heavily weighted with common stocks. Stocks, representing the ownership of real assets, have been an effective inflation hedge for more than a century and are likely to be so in the future.  There is one caveat. For retirees who need to sell some of their investments to meet living expenses, dollar-cost averaging of their sales isn’t the optimal strategy.  The appropriate approach is to hold a broadly diversified portfolio, including limited-duration fixed-income instruments that can be liquidated without loss to fund consumption.  While equities should also be held to provide inflation protection…  Though economic worries abound, don’t ditch equities just yet. | The Wall Street Journal | 09/22/2022 | Burton G. Malkiel |
|  |  |  |  |  |
| Short, Long Treasury Yields Move Apart  *Forecasts rise for two-year rates in near term, lower them for bonds father out* | Investors and economists pay close attention to Treasury yields because they set a floor on borrowing costs across the economy and set a benchmark forward-looking return against which other assets are measured.  The year’s climb has helped lift 30-year fixed mortgage rates above 6% for the first time since 2008 and has punished stocks by decreasing the value of companies’ expected earnings.  The yield on the two-year note, which is more sensitive to the near-term interest-rate outlook, settled at 3.993%.  Stubbornly high inflation and expectations for higher interest rates have been a driving force pushing bond yields higher all year. The 10-year yield has climbed from just under 1.5% at the end of 2021 and around 2.6% at the start of August. | The Wall Street Journal | 09/22/2022 | Sam Goldfarb |
|  |  |  |  |  |
| Fed Lifts Rate, Signals More, Denting Stocks | The Federal Reserve approved its third consecutive interest-rate rise of 0.75 percentage point and signaled additional large increases were likely even though they are raising the risk of recession.  Fed officials voted unanimously to lift their benchmark…  Nearly all of them expect to raise rates to between 4% and 4.5% by the end of this year, according to new projections released Wednesday…  Stock markets decline after a volatile trading day.  The broad S&P 500 index fell 66 points, or 1.7%, to 3789.93. The yield on the two-year U.S. Treasury note settled around 3.993%, according to Tradeweb, from 3.962% Tuesday, nearly a 15-year high. | The Wall Street Journal | 09/22/2022 | Nick Timiraos |
|  |  |  |  |  |
| Home Sales Extend String of Declines | The U.S. housing market slowed for a seventh straight month in August, the longest stretch of declining sales since 2007, as higher mortgage rates continued to undercut buyer demand.  The decrease in home sales is rippling through the economy. | The Wall Street Journal | 09/22/2022 | Nicole Friedman |
|  |  |  |  |  |
| Market Still Isn’t Priced for Recession | The problem is one I have been banging on about all year; Investors still aren’t factoring in much threat to earnings, even though recessions almost always hit earnings hard.  Put another way: Investors still hope for a fairly soft landing. The problem is that the Fed has clearly lost confidence in its own ability to engineer an economic slowdown that avoids recession. As that message sinks in, expect stock prices to sink further.  After all, a majority of fund managers surveyed by Bank of America already say that a recession is likely, the highest since 2020 and before that 2009.  My view is that the markets are doing what they always do, hoping against hope that there is no recession or at least a very mild one, right up to the last minute. I was hoping for such a benign outcome earlier this year, but it now seems unlikely. | The Wall Street Journal | 09/23/2022 | James Mackintosh |
|  |  |  |  |  |
| Central Banks Scramble To Raise Rates | Central banks around the world moved Thursday to combat the effects of a soaring dollar and rising inflation, joining the Federal Reserve in risking a recession to rein in climbing prices.  In a flurry of central-bank meetings from Norway to South Africa, many raised rates by larger-than-expected margins in a day that analysts at ING billed as “Super Thursday.”  The Bank of England raised its key interest rate for the seventh consecutive time on Thursday. | The Wall Street Journal | 09/23/2022 | Will Horner and Megumi Fujikawa |
|  |  |  |  |  |
| Stocks Slump as Economies Reel  *Dow closes at 2022 low and oil prices plunge as new readings warn of global slowdowns* | Financial markets flashed new warning signals on Friday, with the Dow Jones Industrial Average closing at a 2022 low and U.S. oil prices plunging 5.7%, as data from Europe and Asia hardened Wall Street’s view that a slowdown is likely inevitable.  The Dow lost 486.28 points, or 1.6%, to 29590.41 Friday, while the S&P 500 dropped 1.7% to 3693.23 and the Nasdaq Composite fell 1.8% to 10867.93. A two-week selloff by those indexes has dragged down the S&P 500 by 9.2%, the Dow by nearly 8% and the Nasdaq by more than 10%.  Treasury yields rose again to their highest level in more than a decade, with the 2-year yield climbing to 4.212%. U.S. benchmark crude futures closed at $78.74, down about 36% from its June peak.  The U.S. economy has largely escaped the worst of these ills, but a rising dollar is punishing the rest of the world at a time when price increases in many places are already outpacing incomes.  Economic activity in Europe declined sharply in September,… | The Wall Street Journal | 09/24-25/2022 | Tom Fairless and Jason Douglas |
|  |  |  |  |  |
| U.K.’s Fiscal Plan Unnerves Investors | The U.K. government unveiled on Friday the country’s biggest tax cuts since the early 1970s, a bold move aimed at kick-starting growth at a time of global economic turmoil but one which spooked investors and sparked the biggest one-day selloff of the pound since the pandemic rolled markets in March 2020.  The package of tax cuts, paired with subsidies for households and businesses to copy with a surge in energy prices, was aimed to boosting the flagging U.K. economy …  The pound, which had fallen by nearly a fifth this year against the dollar, slid another 3% Friday to $1.092, hitting a fresh 37-year low and easily outpacing a 1% decline in the euro against the greenback. | The Wall Street Journal | 09/24-25/2022 | Max Colchester, Anna Hirtenstein and David Luhnow |
|  |  |  |  |  |
| Oil Drops Below $80 on Recession Fears | U.S. oil prices fell below $80 a barrel for the first time since January, dragged down by mounting fears of a global recession and a rapidly strengthening U.S. dollar.  West Texas Intermediate crude futures dropped 5.7% to close at $78.74. the main U.S. oil price is down about 36% from its June peak… | The Wall Street Journal | 09/24-25/2022 | Anna Hirtenstein and Joe Wallace |
|  |  |  |  |  |
| The Fed’s Surprising Record With ‘Soft Landings’ From Inflation | Many economists believe that the Fed has managed a soft landing only once in 11 tries over the last 60 years, in 1994-95.  To be sure, landing the economy softly is a tall order, but success is not unthinkable. The Fed has done it before.  …people are forgetting-as they often do-one of the key lessons of monetary history: The time lag between tighter money and lower inflation is long. The eventual landing, whether hard of soft, is out in the future somewhere.  Based on history, I’d rate the chances of a softish landing this time =as well under 50% but well above zero. On the negative side, the Fed’s current task is not just to stabilize the inflation rate, as in 1994, but to bring it down substantially, as in 1980.  Furthermore, the FOMC got started late. By now, inflation has both fathered a head of steam and spread beyond the initially impacted areas such as energy, food and products plagued by supply bottlenecks. “Sticky,” and hence more stubborn, components of inflation such as rents are now running high, as are wage settlements. Some of this may reflect inflationary expectations. | The Wall Street Journal | 09/24-25/2022 | Alan S. Blinder |
|  |  |  |  |  |
| Transportation Stocks Flash Alert | Shares of transportation companies are falling twice as fast as the hard-hit U.S. stock market, reflecting investors’ expectations that a recession is ahead.  The Dow Jones Transportation Average, which tracks 20 large U.S. companies ranging from airlines to railroads to truckers, has declined 12% this month.  Historically, declines in transportation stocks have indicated rough economic times ahead amid lower demand for goods, materials and travel-which is widely expected as a result of the Federal Reserve’s most aggressive tightening cycle in decades.  The Baltic Dry Index, which measures the cost of shipping around the world, has sharply retreated from its highs earlier in the pandemic and recently touched its lowest level since June 2020. | The Wall Street Journal | 09/26/2022 | Hardika Singh |
|  |  |  |  |  |
| Stock Downturn Brings Pain To Buy-the-Dip Investors | It is the worst year for buying the stock-market dip since the 1930s.  Instead of rebounding after a tumble, stocks have continued to fall, burning investors who stepped in to buy shares on sale. The S&P 500 has dropped 1.2% on average this year in the week after a one-day loss of at least 1%,…  All three major U.S. stock indexes fell at least 4%, their fourth decline of at least 3% in five weeks. | The Wall Street Journal | 09/26/2022 | Gunjan Banerji |
|  |  |  |  |  |
| Dow, S&P Fall After Mixed Data | The Dow industrials and the S&P 500 fell again Tuesday as investors parsed a spate of economic data and comments from Federal Reserve officials.  All three indexes spent much of the morning in the green, but it didn’t last. The Dow Jones Industrial Average, which entered a bear market on Monday, fell 125.82 points, or 0.1%, to 20134.99. That marked the sixth consecutive day in the red.  The broad S&P 500 slipped 7.75 points, or 0.2%, to 3647.29, closing at its lowest level of the year for the second day in a row. The S&P 500 is also now down for six days in a row, its longest losing streak since February 2020, according to Dow Jones Market Data.  The technology-heavy Nasdaq Composite rose 26.58 points, or 0.2%, to 10829.50.  Stocks and bonds have both dropped sharply this year, an unusual tandem that reflects just how unnerved many investors feel. The Dow, S&P and Nasdaq a re all on pace for their worst first nine months of a year since 2002. | The Wall Street Journal | 09/28/2022 | Will Horner |
|  |  |  |  |  |
| Bond-Buying Plan sparks Rebound In global Markets | A wild run for bonds took an unexpected turn on Wednesday after the Bank of England stepped in to stop a rout in the U.K. government-bond market, spurring a furious rally in bonds on both sides of the Atlantic.  The sharp move added to a stretch of highly volatile trading sessions and came just after the 10-year U.S. Treasury note had climbed above 4% for the first time in more than a decade – a significant milestone that was quickly swept away by the day’s events.  After the dust settled, the benchmark 10-year U.S. Treasury yield settled at 3.797%.  Investors began dumping bonds last Thursday, a day after the Federal reserve had signaled that it would likely lift rates even faster than investors had expected. They got another jolt on Friday when the new U.K. government said that it would cut taxes and greatly increase borrowing, setting off disorderly selling U.K. bonds… | The Wall Street Journal | 09/29/2022 | Sam Goldfarb and Matt Grossman |
|  |  |  |  |  |
| S&P, Dow end 6-Day Losing Streak | The S&P 500 jumped 71.75 points, or 2%, to 3719.04 as bond yields tumbled, leaving stocks looking more attractive to investors. The Dow Jones Industrial Average rose 548.74.points, or 1.9%, to 29683.74. Both indexes had fallen for six straight days as of Tuesday, and earlier this week the Dow joined the S&P 500 in a bear market.  The Nasdaq Composite rose 222.13, or 2.1%, to 11051.64.  In the U.S., the yield on the benchmark 10-year Treasury note briefly climbed above 4% for the first time in more than a decade, only to quickly slide back down.  The yield on the benchmark 10-year Treasury note fell to 3.707% from 3.963% on Tuesday, a massive move in bond-market turns. Yields drop when bond prices ride. | The Wall Street Journal | 09/29/2022 | Anna Hirtenstein and Justin Baer |
|  |  |  |  |  |
| Volatility in Bonds Enters New Phase | Mounting volatility in government-bond markets is intensifying fears on Wall Street that this year’s wild swings in the world’s safest assets could further destabilize already rocky financial markets.  The worst bond rout in a generation carried the yield on the 10-year U.S. Treasury note above 4% for the first time in more than a decade…  Surging yields, which rise when bond prices fall, are buffeting markets. Through this point of the year, major bond indexes have never suffered bigger losses.  The S&P 500 has lost 24% this year. | The Wall Street Journal | 09/30/2022 | Sam Goldfarb |
|  |  |  |  |  |
| Mortgage Rates Surge To 6.7% | Rates climbed to their highest level since July 2007, marking the sixth straight week of increases and adding to pressure on he already cooling U.S. housing market. | The Wall Street Journal | 09/30/2022 | Source: Freddie Mac |
|  |  |  |  |  |
| What’s News | ♦ U.S. stocks fell, with the S&P 500 losing 2.1% to end at a new low for the year, as the worst bond rout in a generation upended markets and investors wrestled anew with worries about a global slowdown. The D ow and Nasdaq slid 1.5% and 2.8%, respectively. | The Wall Street Journal | 09/30/2022 |  |

Bidding started at $2 million for the Los Angeles cemetery crypt directly adjacent to Hugh Hefner’s and Marilyn Monroe’s. The seller of the empty family crypt says the price goes back to the old adage “location, location, location.” *The Week, Sept. 3, 2021*

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 October 2022 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