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| **RESOURCE LOG – DECEMBER 2022** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
| Why It’s the Best Time for bonds in Over a Decade: Gundlach’s Deputy CIO | …in a ThinkAdvisor interview with Jeffrey Sherman, deputy chief investment officer at DoubleLine, of which Jeffrey Gundlach is CEO.  For one: “On a go-forward basis, we believe that the fixed income market is the most attractive it’s been since 2011,” Sherman argues. He maintains that the U.S. isn’t in a recession now but believes “it’s increasingly likely that we’ll have some form of recession in 2023.”  The concern is that it won’t be “narrowly contained” but will “bleed over into” other sectors of the economy.  “The market has about another 1.5% of rate hikes priced in between now and February,” he notes.  Over a two- to four-year horizon, the best predictor of return in the bond market is the yield you start with  If earnings can deliver, the market will eventually look through the bad times. The stock market is thinking: What cash will I get in 2023, 2024, 2025 – out 10 or 15 or 20 years? Earnings will recover at some point.  If people are scared today – and rightfully so – just buy short-term Treasurys, buy T-bills. | Investment Advisor | 12/2022 – 01/2023 | Jane Wollman Rusoff |
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| Social Security More Valuable Than Ever, Even for Millionaires, Advisors Say | The Social Security Administration announced the 8.7% cost-of-living adjustment on October 18. It’s the biggest increase since 1981, when the COLA hit 11.2%, and reflects ongoing inflation in the U.S., which was down slightly to 8.3% in October based on a rolling calculation of prices over the previous 12 months. | Financial Advisor Magazine | 12/2022 | Jeremy Keil |
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| What’s News | ♦ Powell provided a clear signal that the Fed is on track to increase interest rates by half a percentage point as its next meeting, stepping down from an unprecedented series of four 0.75-point rate rises. | The Wall Street Journal | 12/01/2022 |  |
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| What’s News | ♦ Third quarter U.S. growth was stronger than previously estimated and demand for workers remained elevated in October, signs a tight labor market and resilient consumer demand are propping up the economy. | The Wall Street Journal | 12/01/2022 |  |
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| What’s News | ♦ U.S. stocks rallied after the Fed chairman’s remarks, with the S&P 500, Nasdaq and Dow gaining 3.1%, 4.4% and 2.2%, respectively. | The Wall Street Journal | 12/01/2022 |  |
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| Stocks Rally on Rate-Shift Hopes | Stocks rallied Wednesday after Federal Reserve Chair Jerome Powell signaled a potential slowdown in interest-rate increase, powering the Dow Jones Industrial Average more than 700 points higher and into a new bull market.  Still, the rally wasn’t enough to undo the damage inflicted earlier in the year as rapidly rising interest rates battered stocks. The S&P 500 is down 14% in 2022 and remains on track for its worst year since 20008. The tech-heavy Nasdaq composite, whose members tend to be especially sensitive to changing rates, has slumped 27%.  The S&P 500 rose 122.48 points to 4080.11. The Dow Jones Industrial Average added 737.24 points, or 2.2%, to 34589.77. the Nasdaq Composite advanced 484.22 points to 11468.00.  The Dow has risen more than 20% since Sept. 30, its low point of the year. That puts it back in a bull market, which is defined as an increase of 20% or more from a recent low. The &P and Nasdaq remain in bear markets.  The gain since Sept. 30 also marks the Dow’s largest two-month percentage gain since July 1938, measured by calendar months, according to Dow Jones Market Data. | The Wall Street Journal | 12/01/2022 | Joe Wallace and Karen Langley |
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| Junk Bonds Rally on Inflation Hopes | Investors are driving a modest rally in junk bonds, erasing some of 2022’s biting losses in a bet that the economic outlook for next year has stabilized.  Yields on below-investment-grade corporate bonds tracked by Intercontinental Exchange’s index declined to 8.8% through Tuesday’s trading, down from a high of 9.61% on Oct. 13. Investors say they are more confident that interest rates might peak without putting many lower-rated companies’ ability to repay debt in serious jeopardy. | The Wall Street Journal | 12/01/2022 | Matt Grossman |
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| What’s News | ♦ The Fed’s Barr signaled plans to beef up big-bank capital requirements, potentially revisiting financial rules that were eased during the Trump administration. | The Wall Street Journal | 12/02/2022 |  |
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| What’s News | ♦ The executive body of the EU has asked its 27 member countries to cap the price of Russian oil at $60, officials and diplomats involved in the discussions said, part of an effort to crimp Moscow’s ability to wage war in Ukraine while keeping global crude prices steady. | The Wall Street Journal | 12/02/2022 |  |
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| S&P, Dow Fall, but Nasdaq Ekes Out Gain  *Recession worries offset Fed indicating slower rate rises as inflation is cooling* | The S&P 500 fell 0.1%, or 3.54 points, to 4076.57. Financial s tocks fell, investors cited concerns that banks might set aside more funds to cover potential credit losses, a move that cuts into profits.  The Dow Jones Industrial Average fell 0.6%, or 194.76 points, to 34395.01. The tech-heavy Nasdaq composite index gained 0.1%, or 14.45 points, to 11482.45.  For most of 2022, the Fed’s race increases have been bad news for stocks, because higher rates offer investors the opportunity to lock in stronger returns outside the stock market.  Data released Thursday morning showed households boosted spending in October, while the Fed’s preferred inflation gauge – the personal-consumption expenditures price index – offered further signs that inflation is slowing. | The Wall Street Journal | 12/02/2022 | Chelsey Dulaney and Matt Grossman |
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| CFTC Chairman Calls for Crypto Oversight | Lawmakers should pass legislation that would impose strict rules on cryptocurrency exchanges, including rules to limit or prohibit the conflicts of interest that contributed to FTX’s collapse, Commission Chairman Rostin Behnam said Thursday. | The Wall Street Journal | 12/02/2022 | Dave Michaels |
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| What’s News | ♦ The EU reached a deal on a $60 a barrel cap on the price of Russian oil, paving the way for the G-7 to launch the unprecedented mechanism on Monday, diplomats said. | The Wall Street Journal | 12/03-04/2022 |  |
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| Stiff Demand Drives Gains In Jobs, Wages | The U. S. labor market remains historically tight, with many employers competing for a limited pool of workers and bidding up wages despite an uncertain economic outlook.  Employers added 263,000 jobs in November…  The jobless rate remained at 3.7% last month, a historically low level that is pushing up wages. Average hourly earnings grew 5.1% in November…  The stronger-than-expected report initially weighed on stock prices because it cast doubt on how quickly the Federal Reserve would be able to slow down its pace of interest-rate increases. But prices largely recovered by the market’s close. The Dow Jones Industrial Average ended the day up 34.87 points, while the S&P 500 and Nasdaq Composite ended slightly lower.  The yield on the benchmark 10-year Treasury edged lower after rising earlier Friday. | The Wall Street Journal | 12/03-04/2022 | Sarah Chaney Cambon |
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| Fed on Track for Half-Point Rate Rise | The strong November jobs report keeps the Federal Reserve on track to raise interest rates by a half percentage point at its meeting in two weeks and underscores the risk that officials will raise rates above 5% in the first half of next year.  Fed officials have warned in recent days that they are likely to lift rates to and hold then at levels high enough to slow economic activity and hiring to bring inflation down from 40-year highs. | The Wall Street Journal | 12/03-04/2022 | Nick Timiraos |
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| Inflation Doesn’t Have to Be 2% | This past week, a string of data suggested that inflation is finally on a downward trend.  Stocks have rallied, especially after Fed chairman Jerome Powell said Wednesday that interest rates will go up in smaller increments from now on.  Inflation of 4% is perfectly compatible with a healthy economy that isn’t overheating. A possible reason would be the fragmentation of global supply chains, which research suggests previously suppressed price pressures. | The Wall Street Journal | 12/05/2022 | Jon Sindreu |
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| Blue Chips Outshine S&P, Nasdaq  *Dow outpaces broader stock-market benchmark by widest margin since 1933* | The Dow is beating the broader market to a degree not seen in nearly a century.  The Dow Jones Industrial Average is down 5.3% this year, which isn’t normally a cause for celebration. But that performance looks downright golden compared with the broad S&P 500, which is off 15%, and the tech-heavy Nasdaq Composite, which has dropped 27%.  With the Fed trying to slow down the economy and a potential recession on the horizon, investors are reaching for shares of value companies that generate cash for holders now. | The Wall Street Journal | 12/05/2022 | Hannah Miao |
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| Recession or Not, Investors Need Lots to Go Right | The 10-year Treasury yield is now 0.8 percentage point below the three-month yield, the biggest gap since December 2000 in what is, according to Campbell Harvey of Duke University, the most reliable indicator or recession. | The Wall Street Journal | 12/05/2022 | James Mackintosh |
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| What’s News | ♦ OPEC+ said it would lock in current production levels, a pause that suggests the world’s leading oil producers are uncertain about the direction of crude prices with a price cap on Russia’s petroleum exports set to take effect. | The Wall Street Journal | 12/05/2022 |  |
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| Economy-Tied Stocks Fall Steeply | Stocks tied closely to the health of the U.S. economy dropped sharply Monday despite strong data, a sign of the intense market fixation with the risk that the Federal Reserve will continue to raise interest rates throughout the next year.  Shares of big regional banks, which are particularly sensitive to the economic outlook, were among the biggest decliners.  The S&P 500 dropped 72.86 points, or 1.8%, to 3998.84, pulling back after a November rally that was driven by hopes that the Fed would slow down its pace of rate increases. The Dow Jones Industrial Average declined 482.79 points, or 1.4%, to 33947.10 and the Nasdaq Composite lost 221.56 points, or 1.9%, closing at 11239.94.  The November rally, during which both stocks and bond prices rose, in itself was enough to make a giveback kind of day like today inevitable, said David Kelly, chief global strategist at JPMorgan funds. | The Wall Street Journal | 12/06/2022 | Paul Vigna, Weilun Soon and Joe Wallace |
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| Bond Rally Is Tested by Wage Gains | Hopes that inflation is easing have driven a weekslong rally in government bonds, pulling the 10-year U.S. Treasury yield back to its lowest levels since September.  Treasurys started rallying with stocks after the Labor Department released better-than-expected consumer-price index data on Nov. 10.  Many economists see the pace of w age increases as the most important factor in determining inflation over the longer run because many service-industry businesses in particular need to pass those costs on to consumers.  Rising rates hurt the value of outstanding bonds, driving up Treasury yields.  The 10-year yield has declined for four consecutive weeks and settled Friday at 3.502%, down from 3.701% a week earlier and its recent peak of 4.212% on Nov. 7.  …said Sonal Desai, chief investment officer at Franklin Templeton’s fixed-income group.  Still, she said, her view is that yields are likely to move higher from here, as strong consumer demand continues to fuel inflation. | The Wall Street Journal | 12/06/2022 | Sam Goldfarb |
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| What’s News | ♦ Fed officials have signaled plans to raise their benchmark interest rate by 0.5 percentage point at their meeting next week, but elevated wage pressures could lead them to continue lifting it to higher levels than investors currently expect. | The Wall Street Journal | 12/06/2022 |  |
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| Fed to Weigh Rates Higher than 5%  *Brisk wage growth has officials ready to boost benchmark more than investors expect in ‘23* | Federal Reserve officials have signaled plans to raise their benchmark interest rate by 0.5 percentage point at their meeting next week, but elevated wage pressures could lead them to continue lifting it to a higher levels than investors expect.  Fed officials raised rates this year at the fastest pace since the early 1980s, including by 0.75 point at each of their past four meetings to combat inflation.  Fed officials want to guard against raising rates too little and allowing inflation to resurge, or raising them too much and causing unnecessary economic weakness, according to recent public comments and interviews. | The Wall Street Journal | 12/06/2022 | Nick Timiraos |
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| Oil Prices, Energy Stocks Diverge | Worries about slowing global growth are eating into demand for oil, lowering prices and creating a divide between the commodity and other asset classes traded on Wall Street.  Energy shares are up almost two-thirds this year and have continued climbing even as U.S. crude futures slid roughly 40% from their high point after Russia’s invasion of Ukraine.  Stock investors are betting that recent moves by the Organization of the Petroleum Exporting Countries and its Russian-led allies to keep production quotas unchanged, as well as Western governments’ $60-a-barrel price cap on Russian crude, will keep global supplies tight.  Futures contracts for U.S. crude closed Tuesday at $74.25 a barrel, pulling the benchmark down 1.3% in 2022. | The Wall Street Journal | 12/06/2022 | David Uberti and Bob Henderson |
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| Goldman CEO Is Preparing for a Recession  *Solomon expects stocks to be lower a year from now, 35% chance of soft landing* | Goldman Sachs Group Inc. Chief Executive David Solomon signaled that the firm will likely have to trim its operations as it deals with a slowing economy.  Mr. Solomon said Tuesday that he expected stocks and residential real estate to be lower a year from now. He gave a 35% chance of a “soft landing,” in which the Fed can curb inflation without pushing the U.S. into recession.  But there is also “a very, very reasonable possibility that we could have a recession of some kind,” he said. | The Wall Street Journal | 12/07/2022 | AnnaMaria Andriotis |
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| Investors Yank Money From Property Funds | Big and small investors are lining up to pull money out of real-estate funds, the latest sign that the surge in interest rates threatens to upend the commercial-property sector.  Blackstone Inc. last week said it would limit the amount of money investors could withdraw…  Some U.S. pensions are also starting to yank money out of real-estate funds, some advisers to these investors say.  The rise in cash-out requests comes as more investors and financial firms turn their back on real estate. Rising interest rates threaten to push down property values in this debt-laden industry. Meanwhile, concerns grow about weak demand for office space and slowing rent growth for apartments. | The Wall Street Journal | 12/07/2022 | Konrad Putzier and Peter Grant |
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| What’s News | ♦.The S&P 500 fell 0.2%, its fifth straight day of losses, while the Nasdaq shed 0.5%. The Dow added 1.58 points, or less than 0.1%. | The Wall Street Journal | 12/08/2022 |  |
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| What’s News | ♦ Chinese exports fell at the steepest pace in more than two years in November. | The Wall Street Journal | 12/08/2022 |  |
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| Housing Market Stumps Forecasters | Home sales have plunged. Buyers, facing the fastest-rising mortgage rates in decades, are scrapping their plans. And forecasters have rarely disagreed to much over where the market goes next.  Mortgage rates climbed above 7% to 20-year highs in October and November before ticking lower in recent weeks. Existing-home sales have dropped for nine straight months through October, the longest streak since the National Association of Realtors began tracking this date in 1999.  Contradictory signals abound. Demand has tumbled, but the supply of homes is still low. Prices have fallen but are well above their pre-pandemic levels. Interest rates are sky-high compared with a year ago… | The Wall Street Journal | 12/08/2022 | Nicole Friedman and Nick Timiraos |
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| S&P Breaks Five-Day Losing Streak  *Broad index had fallen for eight of nine trading days amid recession worries* | The S&P 500 regained some ground after five consecutive sessions of losses triggered by worries about how severe an economic downturn might be.  The S&P 500 advanced 29.59 points, or 0.8%, to 3963.51. The Dow Jones Industrial Average gained 183.56 points, or 0.5%, to 33781.48. The Nasdaq Composite added 123.45 points, or 1.1%, to 11082.00.  U.S. stocks have endured a stretch of losses recently. As of Wednesday, the benchmark S&P 500 had fallen in eight of the past nine trading days. Worries that the Federal Reserve will hold interest rates higher for longer have been a driver of those losses, as traders have considered the possibility that officials next year could raise their benchmark rate above the 5% currently expected by investors. | The Wall Street Journal | 12/09/2022 | Caitlin McCabe and Paul Vigna |
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| Car Dealers Prepare for Slower Sales | Slim selection at dealerships since mid-2021 created a backlog of consumer demand. At many dealerships, that trend has meant most vehicles arriving from the factory are presold, often at prices well above the manufacturers’ suggested retail price.  But as new-vehicle stocks are slowly replenished, some dealers say there are signs that an uncertain economic outlook and higher interest rates are starting to damp demand.  The majority of dealers who responded view the current market for selling cars as weak. | The Wall Street Journal | 12/09/2022 | Nora Eckert and Mike Colias |
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| Stocks Fall as Inflation Data Disappoints | Stocks turned lower after producer-price data came in hotter than expected, disappointing investors who had hoped for signs of easing inflation before the Federal Reserve’ meeting next week.  The S&P 500 fell 29.13 points, or 0.7%, to 3934.38 Friday after wavering for much of the day. The Dow Jones Industrial Average was down 305.02 points, or 0.9%, to 33476.46. The technology-focused Nasdaq composite slipped 77.39 points, or 0.7%, to 11004.62. | The Wall Street Journal | 12/10-11/2022 | Jack Pitcher and Caitlin McCabe |
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| Large Investors Sour on Asia Tech Stocks | Some of the world’s most influential institutions are selling shares of Asia’s technology giants after owning them for years, a troubling sign for investors after what has already been a painful market selloff. | The Wall Street Journal | 12/12/2022 | Dave Sebastian |
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| Stocks Rally Before Inflation Data | Stocks jumped Monday, with investors anticipating softer inflation and a smaller interest-rate increase from the Federal Reserve this week.  The S&P 500 gained 56.18 points, or 1.4%, to 3990.56 and the Dow Jones Industrial Average added 528.58 points, or 1.6%, to 34005.04. The Nasdaq Composite rose 139.12 points, or 1.3%, to 11143.74.  Stronger-than-expected producer-price data prompted jitters about the inflation outlook last week, dragging all three indexes lower.  The European Central Bank and Bank of England are due to meet and decide on interest rates Thursday.  The yield on the 10-year U.S. Treasury note rose to 3.611% from 3.567% on Friday. Yields on U.S. government bonds have fallen in recent weeks from the 14-year high they hit in October. | The Wall Street Journal | 12/13/2022 | Will Horner and Ben Elsen |
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| Treasury Market Throws A Yield Curveball | The yield curve is flashing a recession signal, but the high level of long-term Treasury yields suggests the bond market doesn’t quite believe it. That might be a reason to buy Treasurys.  The yield curve is deeply inverted, with short-term rates far above long-term ones. The yield on the 10-year Treasury note, lately at 3.61%, is 00.79 percentage point below the yield on the two-year note. When this happens, it has been historically a harbinger of a recession…  The inversion clearly signals l the market’s belief that the Federal Reserve, which is expected to raise its target range on overnight rates by a half-percentage point on Wednesday, will end up weakening the economy to the point it needs to cut rates later.  What is striking is that despite these inversions, long-term yields are high relative to recent history.  …TIPS, implies that investors are expecting annual inflation of about 2.3% over the next 10 years. | The Wall Street Journal | 12/12/2022 | David Wainer |
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| Divide Emerges at Fed Over Inflation | When inflation was hitting 40-year highs, Fed officials were unanimous that rates needed to rise aggressively. Now cracks are beginning to emerge among them over how stubborn inflation has become and what they should do about it.  Some expect inflation to cool steadily next year and want to stop raising rates soon. Other’s worry inflation won’t ease enough next year,…  That leaves Mr. Powell with the challenge of charting the next stage of interest-rate policy.  Mr. Powell repeatedly says he worriers more about the risks of not doing enough to fight inflation than of doing too much… | The Wall Street Journal | 12/13/2022 | Nick Timiraos |
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| Fed slows down, hikes interest rate half point | “Despite some promising developments, we have a long way to go in restoring price stability.” Jerome Powell, Federal Reserve Chairman  But the central bank forecast another three-quarter point in rate increases next year, more than it previously estimated. Fed officials are thus signaling they believe inflation is still too high and aren’t backing off their hard-nosed battle to subdue it despite growing recession risks. | USA Today | 12/15/2022 | Paul Davidson, Medora Lee and Elisabeth Buchwald |
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| Fed Lifts Rates by 0.5 Point, Signals It Isn’t Done  *Increases are expected into spring, with cuts unlikely until 2024, even as inflation eases* | The Federal Reserve approved an interest-rate increase of 0.5 percentage point and signaled plans to lift rates through the spring, though likely in smaller increments, to combat inflation.  Markets retreated slightly after the news. The Dow Jones Industrial Average lost 142.29 points, or 0.4%, to 33966.35. The yield on the benchmark 10-year U.S. Treasury note edged up to 3.503% from its Tuesday level of 3.501%. Yields rise as prices fall. | The Wall Street Journal | 12/15/2022 | Nick Timiraos |
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| What’s News | ♦ China’s economy took a hit in November in what economists hope will be the last big squeeze on growth from a zero-tolerance Covid-19 strategy that Beijing has since abandoned. | The Wall Street Journal | 12/16/2022 |  |
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| Stocks Swoon As Recession Fears Increase | Investors had already been spooked by the Federal Reserve’s new estimates on Wednesday of how high interest rates may ultimately have to go to get rising prices under control. Then Europe’s central banks followed suit on Thursday with their own rate increases and signals of more to come. A big drop in retail sales and a disappointing manufacturing-activity report further darkened the economic picture.  The S&P 500 fell 99.57 points, or 2.5%, to 3895.75. the tech-focused Nasdaq Composite dropped 360.36 points, or 3.2%, to 10810.53. The Dow Jones Industrial average fell 764.13 points, or 2.2%, to 33202.22. | The Wall Street Journal | 12/16/2022 | Corrie Driebusch and Caitlin Ostroff |
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| November Data Signal Slowing Economy | U.S. retail spending and manufacturing weakened in November…  November retail sales fell 0.6% from the prior month for the biggest decline this year, the Commerce Department said Thursday.  Manufacturing output declined 0.6%, the first drop since June, the Fed said in a separate report. | The Wall Street Journal | 12/16/2022 | Harriet Torry |
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| Stocks Retreat, Driven by Recession Worries | Stocks fell again Friday, with investors forced to wrestle anew with the prospect of higher-for-longer interest rates and the risk of recession.  The S&P 500 dropped 43.39 points, or 1.1%, to 3852.36 a day after falling 2.5%. Each of the index’s 11 sectors finished in the red.  The Dow Jones Industrial Average fell 281.76 points, or 0.85%, to 32920.46. The technology-focused Nasdaq Composite slid 105.11 points, or 1%, to 10705.41. All three major indexes fell at least 1.5% this past week, with technology stocks and other growth-sensitive segments suffering the most. | The Wall Street Journal | 12/17-18/2022 | Joe Wallace and Eric Wallerstein |
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| Risk of Recession Tests Global Outlook  *Surveys show easing price pressures in the U.S. and Europe, companies set for cuts* | Price pressures eased at the end of the year as central banks fought high inflation, businesses in the U.S. and Europe say, though the global economy continued to teeter with the possibility of a recession.  Household demand for goods is weakening across the globe…  Two big uncertainties surround the outlook for next year: how much further central banks will raise their key interest rates to tame inflation and how China’s economy will perform as Covid-19 controls are relaxed. | The Wall Street Journal | 12/17-18/2022 | Austen Hufford and Paul Hannon |
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| Small Investors Stay Bullish, Even as Pros Unload Stocks | During the wildest year for global markets since 2008, individual investors have been doubling down on stocks. Many professionals, on the other hand, appear to have bailed out.  Mutual funds have increased their cash positions to a bout 2.5% of their portfolios this fall… | The Wall Street Journal | 12/19/2022 | Gunjan Banerji |
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| Indexes Break 4-Session Losing Streak | Stock indexes and bond yields rose after the Bank of Japan surprised investors by raising the cap on a bench-mark rate, inching away from its ultrarelaxed monetary policy.  The S&P 500 added 3.96 points, or 0.1%, to 3821.62 on Tuesday. The Nasdaq composite rose 1.08 points, or less than 0.1%, to 10547.11. The Dow Jones Industrial Average gained 92.20 points, or 0.3%, to 32849.74.  The major indexes broke a four-session losing streak. Out of the 11 sectors I the S&P 500, consumer discretionary, consumer staples, healthcare and real estate traded lower. Energy and materials stocks were the biggest gainers.  Yields rose on U.S. Treasurys, which have largely trended lower in recent weeks as inflation has shown signs of easing.  Tech stocks such as Tesla are particularly sensitive to interest rates and have been some of the biggest drivers of this year’s roughly 20% decline in the S&P 500.  Investors are wondering if the U.S. economy will e strong enough to withstand further rate increases from the Federal Reserve. | The Wall Street Journal | 12/21/2022 | Will Horner and Hardika Singh |
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| Investors, Big-Company CEOs Diverge on Economic Projections | Big-company CEOs are worrying more about the global economy than either professional investors or CEOs of midsize companies, a new survey suggests.  At least two-thirds of CEOs of the biggest companies surveyed said they expected the next six months to bring worsening customer demand, industry conditions, access to capital, and domestic and global growth, the survey from CEO advisory firm Teneo Holdings LLC found.  CEOs of the biggest companies are more likely than smaller competitors to have large international operations at a time when many see deglobalization under way…  Investors, on the other hand, may be eyeing depressed valuations – bargains, for those buying – and looking through the turbulence, said Teneo CEO Paul Keary. | The Wall Street Journal | 12/21/2022 | Theo Francis |
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| What’s News | ♦ U.S. existing-home sales slid in November for a 10th straight month, extending a record streak of declines as high mortgage rates and home prices pushed many buyers out of the market. | The Wall Street Journal | 12/22/2022 |  |
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| We Aren’t Ready for a Financial Crisis | The Federal Reserve’s balance sheet is currently at about $8.6 trillion, while the national debt is more than $31 trillion. These are staggering amounts that will make it difficult to deal successfully with the next financial crisis. And the next financial crisis is inevitable.  The monetary and fiscal authorities must work together. The Treasury funds its lending by issuing debt, and the Fed purchases that debt by printing money. This expands the supply of money, which is inflationary.  The dollar’s status as the world’s reserve currency means that foreign central banks hold most of their foreign reserves in dollars in the form of Treasury debt, and the greenback is the currency of choice for international transactions. These factors create high demand for Treasury debt, but that demand isn’t infinite. The dollar also faces increasing competition from currencies such as the Chinese yuan.  The obvious answer is to reduce federal spending…  Reducing overall spending requires painful trade-offs between guns and butter. | The Wall Street Journal | 12/22/2022 | Howard B. Adler |
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| Stocks Edge Higher on Spending Data  *Michigan consumer survey paints households as optimistic on economy* | In choppy trading, the S&P gained 22.43, or 0.6%, to 3844.82, while the tech-focused Nasdaq Composite rose 21.74, or 0.2%, to 10497.86. The Dow Jones Industrial Average rose 176.44, or 0.5%, to end at 33203.93.  A three-week string of losses for the S&P and the Nasdaq have set markets up to end 2022 with a down month. The S&P has given up 5.8% in December, while the Nasdaq has lost 8.5% and the Dow industrials 4%.  The yield on the two-year Treasury note, sensitive to near-term Fed policy expectations, rose to 4.321% from 4.263% Thursday…  The bench-mark 10-year yield climbed to 3.746%, up from 3.669% a day earlier.  More recently, fears of recession have added to equity-market woes. Indexes have risen off 52-week lows notched in autumn, but the S&P and Nasdaq remain on track for double-digit losses in 2022.  Brent crude, the international benchmark for oil prices, gained 3.6% to $83.92 a barrel. | The Wall Street Journal | 12/24-25/2022 | Matt Grossman and Caitlin Ostroff |
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| Global Flow of Goods Gets Back To Normal | Goods are moving around the world again and reaching companies and consumers…  Gone are the weekslong backlogs of cargo ships at large ports. Ocean shipping rates have plunged below prepandemic levels.  In the U.S., retailers have ample inventory. | The Wall Street Journal | 12/24-25/2022 | Esther Fund, Costas Paris and Sharon Terlep |
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| What’s News | ♦ The House voted 225-201 to approve a $1.65 trillion spending bill as congress narrowly averted a government shutdown ahead of the Christmas holiday. | The Wall Street Journal | 12/24-25//2022 |  |
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| Shoppers Cut Back Spending Ahead of Holidays | The U.S. economy showed fresh signs of slowing late this year as consumer spending and business demand softened and inflation eased.  Personal spending increased 0.1% in November from the prior month…  When adjusted for inflation, consumer spending was flat. | The Wall Street Journal | 12/24-25/2022 | Austen Hufford |
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| Wall Street, Fed Flopped in Trying to Predict 2022 | Almost everyone on Wall Street and in Washington got 2022 wrong.  The Federal Reserve expected 20221’s inflation surge to be transitory. It wasn’t.  Top Wall Street analysts predicted markets would have a so-so year. They didn’t. with just a few trading days left in 2022, the S&P 500 is down 19% and on course for the biggest annual loss since the 2008 financial crisis. Bonds are headed for their worst year on record.  Growing confidence that inflation might have peaked has many investors betting on a market reversal in 2023.  U.S. Treasury note was at 4.321% on Friday, up substantially for the year but down more than one-third of a percentage point from its November peak.  Fund managers surveyed by Bank of America say high inflation ranks as the top “tail risk” to markets, followed by a deep global recession and central banks keeping monetary policy tight. | The Wall Street Journal | 12/27/2022 | Akane Otani |
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| Housing Slump Helps Inflation Fight | The pandemic that hit the U.S. in March 2020 delivered an unexpected housing boom,…  In the ensuing recovery, job growth fueled household formation as younger adults sought to live alone rather than with roommates or their parents.  The result: Housing construction soared. The S&P CoreLogic Case-Shiller National Home Price Index leapt 45% from January 2020 to June 2022. Apartment rents also climbed sharply.  The average 30-year fixed-rate mortgage jumped from around 4% in March to 7% this past fall. It recently eased back to 6.3%. the monthly mortgage payment on a home at the median U.S. price was up 43% in November from the start of the year, according to the Mortgage Bankers Association.  In November, single-family housing starts hit their lowest since the early months of the pandemic…  Housing accounts for a third of the consumer-price index and a sixth of the personal-consumption expenditures price index,  It is one reason Fed officials project inflation will slow to 3.1% at the end of next year from around 6% now. | The Wall Street Journal | 12/27/2022 | Nick Timiraos |
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| Stocks End Mixed on China Border Plans  *Investors hope move by the world’s second-largest economy will support global growth* | U.S. stock indexes finished mixed after China said it would open its borders next month, bolstering investors’ hopes that the thawing of the world’s second-largest economy will support global growth. Bond yields climbed.  The S&P 500 fell 15.57 points, or 0.4%, to close at 3829.25 Tuesday, the week’s first trading session after the holiday.  The tech-focused Nasdaq Composite slid 144.64 points, or 1.4%, to 10353.23 while the Dow Jones Industrial Average added 0.1%, or 37.63 points, to close at 33241.56. | The Wall Street Journal | 12/28/2022 | Jack Pitcher and Caitlin Ostroff |
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| Stocks Won’t Get a Soft Landing | Economists are generally split on what will happen to the economy in the new year, with some forecasting the U.S. will experience a mild recession and others forecasting a so-called soft landing,,,  The full effect of rate increases comes with a lag, but plenty of damage has already been done – look no further than the housing market to see that.  Economists at Goldman Sachs, Morgan Stanley and Credit Suisse are among those who think the U.S. will evade recession, while economists at Bank of America, JPMorgan chase and Barclays are forecasting mild recessions. | The Wall Street Journal | 12/29/2022 | Justin Lahart |
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| Dollar Rally Loses Some Steam  *Currency is on track for a big yearly gain, but has weakened since September peak* | The U.S dollar’s rally in 2022 gave the world a reminder of the currency’s ability to inflict pain on the global economy. Investors are optimistic that the dollar’s strength has now run its course.  As of Dec. 29, the dollar has risen 8.4% this year as measured by the WSJ Dollar Index, which tracks its value against 16 other currencies. That would mark its biggest yearly percentage rise since 2015. The index peaked in late September at the highest level in data going back to 2001.  But the dollar is ending the year on the defensive, having given back roughly half of its gains since that high-water mark, as investors bet that U.S .inflation is slowing.  Swings in the dollar tend to be felt worldwide because of its role as the primary currency for trade and finance. Its rise made commodities such as wheat and American goods more expensive for buyers outside the U.S. That added to inflation in other countries and weighed on the businesses of U.S. firms who rely on business abroad. | The Wall Street Journal | 12/30/2022 | Chelsey Dulaney |
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| Indexes Rise With Hopes for Year-End Surge | The S&P 500 jumped Thursday in one of the last trading sessions of the year but remained on track to close out its worst year since the 2008 financial crisis.  The broad-based stock index added 66.06 points, or 1.7%, to 3849.26, its largest one-day gain of the month. The technology-focused Nasdaq Composite gained 264.80 points, or 2.6%, to 10478.09. the Dow Jones Industrial Average added 345.090 points, or 1%, to 33220.80. U.S. stock benchmarks had pulled back on Wednesday.  Tech stocks were among the best performers, with some recent stock-market losers outperforming the broader market. | The Wall Street Journal | 12/30/2022 | Caitlin Ostroff and Gunjan Banerji |
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| Stocks Log Worst Year Since 2008  *Tech sector took the brunt, bonds suffered historic selloff, as Fed raised rates sharply* | Stocks tumbled. Bonds were hit by their worst selloff ever. And cryptocurrencies were eviscerated, leading to the collapse of industry giants including FTX.  The S&P 500 fell 19% for the year, while the Dow Jones Industrial Average dropped 8.8%. The Nasdaq Composite declined 33%, hurt by a steep slide in technology shares.  Bonds had an even more bruising year. The yield on the 10-year U.S. Treasury note – which influences everything from mortgage rates to student debt – climbed to 3.826%, from 1.496% at the end of 2021. Yields rise as bond prices fall.  How did things go so badly? In short, investors and policy makers were burned by bets that 2021’s inflation surge would prove to be transitory.  In a bid to bring inflation back down, the Federal Reserve executed its most-aggressive interest-rate increases since the 1980s.  Bitcoin slumped more than 60%, a sharp reversal after it flew to records in 2021.  U.S. crude oil prices topped $130 a barrel in March, reaching a 13-year high, after intensifying Russian attacks in Ukraine prompted lawmakers in the U.S. and Europe to discuss banning imports of Russian oil and energy products.  At the moment, yields on short- and longer-term Treasurys seem to be pricing in a dovish Fed-not a central bank that has said it plans on keeping monetary policy tight for the foreseeable future. That could spell trouble for traders, if their guesses for where monetary policy goes next year are proven wrong. | The Wall Street Journal | 12/31/2022 -01/01/2023 | Akane Otani |
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| Russia Oil Bank Speeds Shift in Global Market | Western sanctions on Russian fossil fuels are accelerating the shift in global energy flows, with China and India increasingly taking advantage of Russian oil discounts and Middle Eastern suppliers redirecting their crude to Europe.  Russia is offering deep discounts to Asia’s biggest oil buyers as it tries to retain market share after banning the sale of its crude and petroleum products to countries imposing a price cap. | The Wall Street Journal | 12/31/2022 -01/01/2023 | Benoit Faucon and Summer Said |
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| Stocks Drop in Final Trading Day of Year | The S&P 500 fell 9.78 points, or 0.3%, to 3839.50 on Friday, while the Dow Jones Industrial Average lost 73.55 points, or 0.2%, to 33147.25, and the Nasdaq Composite declined 11.61 points, or 0.1%, to 10466.48.  All three benchmarks pared back deeper losses from earlier in the day.  For the year, the S&P 500 posted a 19% decline, its biggest pullback since 2008. The Dow industrials dropped 8.8% and the Nasdaq slid 33%, stung by declined in technology shares.  Growth and momentum stocks – darlings of the Covid-19 pandemic – crumbled.  Few investors expect market volatility to subside when the 2023 trading year kicks off next week.  “You still have high inflation which is moderating, you have a declining housing market, you have slowing growth – all that suggest a potential continued deterioration in the economy in the first part of 2023,” said Peter Essele, head of portfolio management for Commonwealth Financial Network.  But, Mr. Essele added, that slowdown may eventually prompt the Fed to begin signaling next year the possibility of interest-rate cuts.  “That would set up a very nice picture for the latter half of 2023,” Mr. Essele said.  Fed Chairman Jerome Powell has said that the central bank isn’t likely to consider lowering interest rates until officials are certain that inflation is slowing toward the Fed’s goal of 2% sustained inflation.  The yield on the benchmark 10-year U.S. Treasury note ended at 3.826%, from 3.833% Thursday.  The yield on the 10-year note closed out 2022 with its largest one-year yield gain on record,…  Brent crude, the international benchmark for oil prices, rose 2.9% to $85.91 a barrel and posted a 10% gain for the year.  Overseas, the pan-continental Stoxx Europe 600 declined 1.3%, ending the year with a roughly 10% decline, its largest since 2018.  In Asia, Hong Kong’s Hang Send Index and mainland China’s Shanghai Composite both ended the year down 15%, despite small increases on Friday. | The Wall Street Journal | 12/31/2022 -01/01/2023 | Caitlin McCabe and Akane Otani |
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| Dividends Hit Record Level in 2022 | S&P 500 companies spent a record amount on dividends in 2022, a trend that is expected to continue in 2023 despite a slowing economy as more of the companies that had suspended or cut their dividends early in the pandemic resume payouts.  Of the S&P 500, 373 companies raised dividends in 2022 through Dec. 15…  However, 62 companies, or 33%, have yet to resume paying a dividend, including aircraft manufacturer Boeing Co. and entertainment giant Walt Disney Co., S&P said. | The Wall Street Journal | 12/31/2022 -01/01/2023 | Mark Maurer |

“Isn’t it appropriate that the month when taxes are due begins with April Fool’s Day and end with cries of ‘May Day!’?” *Unknown*

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