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In this week's recap: A Fed taper may loom; economic data mixed.

Weekly Economic Update

Presented by Don Clark, MBA, CFP®, August 23, 2021

THE WEEK ON WALL STREET

Stocks turned lower last week amid the increasing probability of a Fed tapering, mixed economic data, and growing concerns about the economic impact of the Delta variant.

The Dow Jones Industrial Average slumped 1.11%, while the Standard & Poor's 500 lost 0.59%. The Nasdaq Composite index slipped 0.73%. The MSCI EAFE index, which tracks developed overseas stock markets, surrendered 2.94%. ^{1,2,3}

UNSETTLING NEWS

After the Dow Industrials and S&P 500 index climbed to new record highs to begin the week, stocks pulled back amid weaker-than-expected retail sales, festering concerns about the Delta variant, and slowing growth in China.

The stock market retreat accelerated mid-week with the release of the FOMC (Federal Open Market Committee) meeting minutes, which signaled that Fed officials may be ready to begin reducing its monthly bond purchases before the end of the year. Stocks managed to stabilize on Friday, paring

some of the week's losses. Consumer staples, health care, real estate, and utilities were the top-performing groups. ⁴

TAPER BY YEAR END?

Two weeks ago, multiple regional Federal Reserve Bank presidents suggested that the economy was strong enough to justify tapering the Fed's monthly bond purchases.

Last week, that chorus grew a bit louder with the release of minutes from July's FOMC (Federal Open Market Committee) meeting. The precise timing was left undecided, with some officials believing it should begin before year-end, while others thought waiting until the start of the new year was the better choice. ⁵

TIP OF THE WEEK



The fine print on a lease or a mortgage is always worth reading. Ask the business owners and homeowners who have learned this from experience.

THE WEEK AHEAD: KEY ECONOMIC DATA

Monday: Existing Home Sales. PMI (Purchasing Managers' Index) Composite Flash.

Tuesday: New Home Sales.

Wednesday: Durable Goods Orders.

Thursday: Jobless Claims. Gross Domestic Product (GDP).

Friday: Consumer Sentiment.

Source: Econoday, August 20, 2021

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be

providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Monday: JD.com, Inc. (JD), Palo Alto Networks, Inc. (PANW).

Tuesday: Best Buy Co. (BBY), Intuit, Inc. (INTU).

Wednesday: Salesforce.com (CRM), Ulta Beauty, Inc. (ULTA), Autodesk, Inc. (ADSK).

Thursday: Marvell Technology, Inc. (MRVL), Workday, Inc. (WDAY), Dollar Tree (DLTR), Dell Technologies (DELL), VMware, Inc. (VMW), Peloton Interactive, Inc. (PTON).

Source: Zacks, August 20, 2021

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

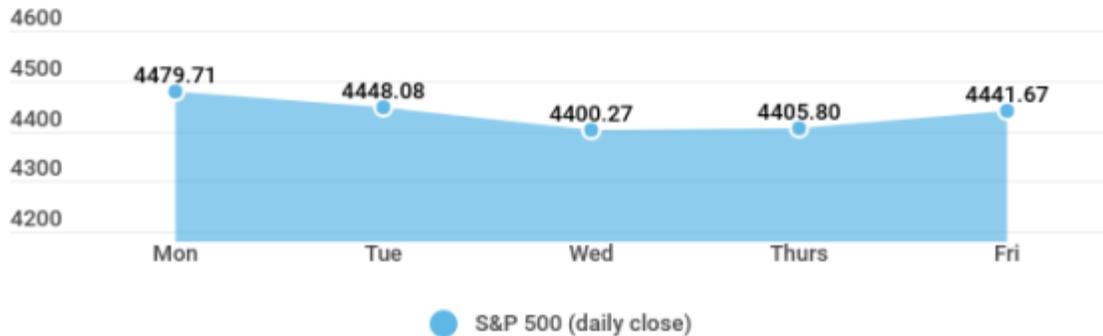
QUOTE OF THE WEEK



“Every man is working out his destiny in his own way and nobody can be of any help except by being kind, generous, and patient.”

HENRY MILLER

Market Index	Close	Week	Y-T-D
DJIA	35,120.08	-1.11%	+14.75%
NASDAQ	14,714.66	-0.73%	+14.17%
MSCI-EAFE	2,309.06	-2.94%	+7.52%
S&P 500	4,441.67	-0.59%	+18.25%



Treasury	Close	Week	Y-T-D
10-Year Note	1.26%	-0.03%	+0.33%

Sources: The Wall Street Journal, August 20, 2021; Treasury.gov, August 20, 2021
 Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, August 13, to Friday, August 20, close. Weekly performance for the MSCI-EAFE is measured from Friday, August 13, open to Thursday, August 19, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



Aaron is the brother of Bob. Bob is the brother of Cody. Cody is the father of Dan. So how is Dan related to Aaron?

LAST WEEK'S RIDDLE: What three positive numbers give the same answer when multiplied or added together?

ANSWER: 1,2, and 3.

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CITATIONS:

1. The Wall Street Journal, August 20, 2021
2. The Wall Street Journal, August 20, 2021

3. The Wall Street Journal, August 20, 2021
4. ALPS Portfolio Solutions, August 20, 2021
5. Reuters.com, August 19, 2021



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