



Personalized Service, Sophisticated Strategies

In this week's recap: Erratic holiday trading leaves stocks in doldrums.

Weekly Economic Update

Presented by Don Clark, MBA, CFP®, January 2, 2023

THE WEEK ON WALL STREET

In a holiday-shortened week, erratic trading left stocks marginally down for the week.

The Dow Jones Industrial Average lost 0.17%, while the Standard & Poor's 500 slipped 0.14%. The Nasdaq Composite index fell 0.30%. The MSCI EAFE index, which tracks developed overseas stock markets, edged 0.61% higher. ^{1,2,3}

STOCKS END LOWER

Steps by China to move past its zero-Covid policies triggered concerns that its economic reopening might aggravate inflation pressures, sending stocks lower and bond yields higher to begin the week. Technology stocks saw the most significant hit.

With dimming prospects of a Santa Claus rally (the historical tendency of stocks to rise in the final trading days of the year and the first two days of the new year), stocks rebounded strongly on Thursday to erase the losses of the previous two days. However, stocks again turned lower to end the week with small losses.

LOWER RISK APPETITE AMID UNCERTAINTY

In an otherwise slow week for news, two monthly reports were released highlighting the market's headwinds. The first was State Street's Investor Confidence Index, which measures the risk appetite of institutional investors. The December report showed the confidence of large asset managers in investing in risk assets, like stocks, has dropped over the past two months, explaining, in part, why stocks may have struggled of late. ⁴

Meanwhile, the Atlanta Fed released its Survey of Business Uncertainty, which reflected both declining expectations around sales growth and employment, along with growing uncertainty about revenue and employment growth over the next 12 months. ⁵

TIP OF THE WEEK



Spammers love to create emails that look like they've legitimately come from your bank or credit card issuer. How can you be safe? Never use a "click here to log in" link. Always go directly to the website address for your bank or credit card provider and log in there.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Purchasing Managers' Index (PMI)-Manufacturing. Institute of Supply Management (ISM) Manufacturing. Job Openings and Labor Turnover Survey (JOLTS).

Thursday: Jobless Claims. Automated Data Processing (ADP) Employment Report. Purchasing Managers' Index (PMI)-Services.

Friday: Employment Situation.

Source: Econoday, December 30, 2022

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

Thursday: Constellation Brands, Inc. (STZ), Walgreens Boots Alliance, Inc. (WBA), Conagra Brands (CAG).

Source: Zacks, December 30, 2022

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



“Science is the great antidote to the poison of enthusiasm and superstition.”

ADAM
SMITH

Market Index	Close	Week	Y-T-D
DJIA	33,147.25	-0.17%	-8.78%
NASDAQ	10,466.48	-0.30%	-33.10%
MSCI-EAFE	1,955.48	+0.61%	-16.29%
S&P 500	3,839.50	-0.14%	-19.44%



Treasury	Close	Week	Y-T-D
10-Year Note	3.88%	+0.40%	+2.36%

Sources: The Wall Street Journal, December 30, 2022; Treasury.gov, December 30, 2022
 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, December 23, to Friday, December 30, close. Weekly performance for the MSCI-EAFE is measured from Friday, December 23, open to Thursday, December 29, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



*What word doesn't belong in this group: blast, paper, castle,
coin, box, storm?*

LAST WEEK'S RIDDLE: Name the three English-language three-letter words that begin and end with the letter E.

ANSWER: eve, ewe, and eye.

Don Clark, MBA, CFP® may be reached at 913-451-7526 or dclark@personalfinancialgroup.com
www.personalfinancialgroup.com

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

Securities offered through LPL Financial, Member FINRA/SIPC. Investment Advice offered through Personal Financial Group, Inc. a registered investment advisor and separate entity from LPL Financial. The information contained in this e-mail message is being transmitted to and is intended for the use of only the individual(s) to whom it is addressed. If the reader of this message is not the intended recipient, you are hereby advised that any dissemination, distribution or copying of this message is strictly prohibited. If you have received this message in error, please immediately delete.

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. The information herein has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested.

This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such.

All market indices discussed are unmanaged and are not illustrative of any particular investment. Indices do not incur management fees, costs and expenses, and cannot be invested into directly. All economic and performance data is historical and not indicative of future results. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results.

MarketingPro, Inc. is not affiliated with any person or firm that may be providing this information to you. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional.

Copyright 2023 FMG Suite.

CITATIONS:

1. The Wall Street Journal, December 30, 2022

2. The Wall Street Journal, December 30, 2022
3. The Wall Street Journal, December 30, 2022
4. State Street, December 28, 2022
5. Federal Reserve Bank of Atlanta, December 28, 2022



Don Clark
dclark@personalfinancialgroup.com

Managing Principal
Personal Financial Group
7007 College Boulevard Suite 270, Overland Park, KS 66211
Phone 913-451-7526
www.personalfinancialgroup.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment Advice offered through Personal Financial Group, Inc. a registered investment advisor and separate entity from LPL Financial. The information contained in this e-mail message is being transmitted to and is intended for the use of only the individual(s) to whom it is addressed. If the reader of this message is not the intended recipient, you are hereby advised that any dissemination, distribution or copying of this message is strictly prohibited. If you have received this message in error, please immediately delete.