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*In this week's recap: Stocks rally despite mixed data.*

# Weekly Economic Update

*Presented by Don Clark, MBA, CFP®, July 11, 2022*

## THE WEEK ON WALL STREET

In a holiday-shortened trading week, stocks rallied despite mixed economic data and vacillating energy prices and bond yields.

The Dow Jones Industrial Average increased 0.77%, while the Standard & Poor's 500 rose 1.94%. The Nasdaq Composite index picked up 4.56% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, edged 0.46% higher. <sup>1,2,3</sup>

## STOCKS MOVE HIGHER

In advance of Friday's much-anticipated employment report, stocks enjoyed successive daily gains despite ongoing concerns about a recession. Recession fears were supported by an inversion in the yield curve and updated second-quarter Gross Domestic Product projections indicating the economy is ready to contract.

Technology shares were the week's big winners as investors appear to have turned to companies with earnings growth potential during a weakening economic environment. Stocks bounced along the flatline following the strong jobs report on Friday to close out a positive week.

## EMPLOYMENT'S MIXED SIGNAL

One of the holes in the "imminent-recession" narrative has been the labor market's strength. Historically, recessions have been preceded by or concurrently with a weakening jobs market.

Friday's employment report reflected a job market that continues to belie Wall Street's recession fears. Employers added 372,000 jobs in June, a number that was above economists' estimates of 250,000. Wage gains were robust (+5.1% year-over-year), though still below the inflation rate. The unemployment rate was unchanged at 3.6%.<sup>4</sup>

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### TIP OF THE WEEK



*Too many people put a majority of their assets into a single stock (usually a company stock).  
Remember the merits of diversification.*

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## THE WEEK AHEAD: KEY ECONOMIC DATA

**Wednesday:** Consumer Price Index (CPI).

**Thursday:** Producer Price Index (PPI). Jobless Claims.

**Friday:** Retail Sales. Industrial Production. Consumer Sentiment.

Source: Econoday, July 8, 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

**Wednesday:** Delta Air Lines, Inc. (DAL).

**Thursday:** JPMorgan Chase & Co. (JPM), Morgan Stanley (MS), Conagra Brands (CAG).

**Friday:** UnitedHealth Group (UNH), Citigroup, Inc. (C), Wells Fargo & Company (WFC), BlackRock, Inc. (BLK), U.S. Bancorp (USB), The PNC Financial Services Group, Inc. (PNC).

Source: Zacks, July 8, 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.

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QUOTE OF THE WEEK

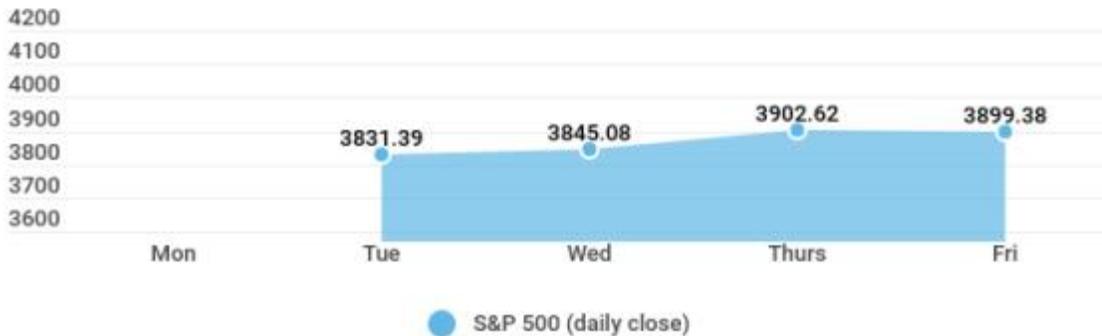


*“Alone we can do so little; together we can do so much.”*

HELEN KELLER

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Market Index	Close	Week	Y-T-D
DJIA	31,338.15	+0.77%	-13.76%
NASDAQ	11,635.31	+4.56%	-25.63%
MSCI-EAFE	1,840.83	+0.46%	-21.20%
S&P 500	3,899.38	+1.94%	-18.19%



Treasury	Close	Week	Y-T-D
10-Year Note	3.09%	+0.21%	+1.57%

Sources: The Wall Street Journal, July 8, 2022; Treasury.gov, July 8, 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, July 1, to Friday, July 8, close. Weekly performance for the MSCI-EAFE is measured from Friday, July 1, open to Thursday, July 7, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

## THE WEEKLY RIDDLE



*Two in every corner, one in every room, none in a house. What is it?*

*LAST WEEK'S RIDDLE: It weighs nothing, but when you put it into any container it makes the container lighter. What is it?*

ANSWER: A hole.

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CITATIONS:

1. The Wall Street Journal, July 8, 2022
2. The Wall Street Journal, July 8, 2022
3. The Wall Street Journal, July 8, 2022
4. CNBC, July 8, 2022



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