



Personalized Service, Sophisticated Strategies

In this week's recap: Pre-holiday markets see no rebound.

Weekly Economic Update

Presented by Don Clark, MBA, CFP[®], July 4, 2022

THE WEEK ON WALL STREET

Stocks turned lower as a quiet news week offered investors little fresh visibility into the market overhangs of economic slowdown and inflation.

The Dow Jones Industrial Average dipped 1.28%, while the Standard & Poor's 500 fell 2.21%. The Nasdaq Composite index dropped 4.13%. The MSCI EAFE index, which tracks developed overseas stock markets, lost 1.49%. ^{1,2,3}

REBOUND FIZZLES

Stocks struggled last week amid poor market liquidity typical of the summer months and a news vacuum ahead of the second-quarter earnings reports. Investors also appeared to be anticipating guidance at the July Federal Open Market Committee meeting. What little news there was proved generally disappointing. A steep decline in consumer confidence preceded Fed Chair Powell's acknowledgment that inflation may persist.

Stocks stumbled after a profit warning from a high-end retailer, which highlighted recession risks. The sentiment suffered from a 4.7% increase in the core personal consumption expenditures index, which is the Fed's preferred measure of inflation. It remained near levels not seen since the 1980s. ⁴

CONSUMER CONFIDENCE WANES

The Conference Board's Consumer Confidence Index declined to its lowest level since February 2021, falling from 103.2 in May to 98.7 in June (1985=100). While consumers' assessment of current conditions slipped only marginally, their short-term outlook for income, business, and labor market conditions eroded substantially, touching its lowest level since March 2013. ⁵

This rising pessimism about the short-term outlook was especially notable in consumers' assessment of financial prospects, with 15.9% expecting their incomes to increase (down from 17.9% in May) and a growing share of individuals expecting their incomes to decrease (15.2% in June vs. 14.5% in May). ⁶

TIP OF THE WEEK



If you are a single parent, a will, a power of attorney, and disability income insurance are some documents you should consider – after all, you are the sole provider.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Factory Orders.

Wednesday: Federal Open Market Committee (FOMC) Meeting Minutes. Job Openings and Labor Turnover Survey (JOLTS). Institute for Supply Management (ISM) Services Index.

Thursday: Automated Data Processing (ADP) Employment Report. Jobless Claims.

Friday: Employment Situation.

Source: Econoday, July 1, 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: Levi Strauss & Co. (LEVI).

Source: Zacks, July 1, 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



“I think that we communicate only too well, in our silence, in what is unsaid, and that what takes place is a continual evasion, desperate rear-guard attempts to keep ourselves to ourselves. Communication is too alarming.”

HAROLD PINTER

Market Index	Close	Week	Y-T-D
DJIA	31,097.26	-1.28%	-14.42%
NASDAQ	11,127.85	-4.13%	-28.87%
MSCI-EAFE	1,846.28	-1.49%	-20.97%
S&P 500	3,825.33	-2.21%	-19.74%



	Treasury	Close	Week	Y-T-D
	10-Year Note	2.88%	-0.25%	+1.36%

Sources: The Wall Street Journal, July 1, 2022; Treasury.gov, July 1, 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, June 24, to Friday, July 1, close. Weekly performance for the MSCI-EAFE is measured from Friday, June 24, open to Thursday, June 30, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



It weighs nothing, but when you put it into any container it makes the container lighter. What is it?

LAST WEEK'S RIDDLE: In a drawer are six pairs of red socks, four pairs of white socks and five pairs of blue socks. In total darkness, how many socks would you have to grab to be certain you had a matching pair?

ANSWER: Four socks. Four is the maximum number you'd need to pull to ensure you had at least two socks that matched. (Don't believe it? Give it a try!)

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 2022 FMG Suite.

CITATIONS:

1. The Wall Street Journal, July 1, 2022
2. The Wall Street Journal, July 1, 2022
3. The Wall Street Journal, July 1, 2022
4. CNBC, June 30, 2022
5. The Conference Board, June 28, 2022
6. The Conference Board, June 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.