



Oppenheimer & Co. Inc.

Spencer Nurse
Managing Director - Investments
500 108th Ave. NE
Suite 2100
Bellevue, WA 98004
425-709-0540
800-531-3110
spencer.nurse@opco.com
<https://www.oppenheimer.com/spencernurse/>



Market Week: November 14, 2022

The Markets (as of market close November 11, 2022)

Stocks rebounded from a sluggish start to close last week higher. Investors continued to rally behind equities on the hope that last week's soft inflation data will prompt the Federal Reserve to curtail its interest-rate hikes. The S&P 500 rose to its best week since June, while the tech-heavy Nasdaq notched its best week in two years. Bond prices advanced, pulling Treasury yields lower. Crude oil prices slid lower, although they could jump in December when the European ban on Russian oil shipments by sea takes effect on December 5, potentially limiting supply. Gold prices advanced for the second consecutive week. The dollar endured the largest two-day fall in 13 years after plunging last Thursday and Friday.

Wall Street continued its rally, closing up last Monday for the second consecutive session. Both small caps and blue-chip stocks enjoyed a lift to begin last week, sending the Nasdaq (0.90%) and the Russell 2000 (0.60%) higher. The Dow (1.3%) led the benchmark indexes listed here, while the S&P 500 (1.0%) and the Global Dow (1.2%) also gained ground. Yields on 10-year Treasuries added 5.8 basis points to close at 4.21%. Crude oil prices and the dollar dipped lower, while gold prices inched higher.

Stocks extended their rally for a third session in a row last Tuesday as investors awaited midterm election results. Of the benchmark indexes listed here, the Global Dow led the gains, up 1.1%, followed by the Dow (1.0%), the S&P 500 (0.6%), and the Nasdaq (0.5%). The small caps of the Russell 2000 ended flat. Ten-year Treasury yields, the dollar, and crude oil prices declined. Gold prices rose for a second day in a row.

The three-session rally ended last Wednesday as investors mulled midterm election results and the consumer price index, scheduled for release the next day. The Russell 2000 (-2.7%) and the Nasdaq (-2.5%) led the declines, followed by the S&P 500 (-2.1%), the Dow (-2.0%), and the Global Dow (-1.4%). Bond prices dipped, sending the yield on 10-year Treasuries up 2.5 basis points to 4.15%. Crude oil prices slid \$3.34, dragging the price per barrel down to \$85.57 after data revealed an unexpected increase in domestic crude oil supplies. The dollar rose, while gold prices fell for the first time in the last four trading sessions.

Stocks surged higher last Thursday as slower-than-expected consumer price growth brought hope that the Federal Reserve might respond by curtailing its aggressive rate-hike policy. U.S. markets enjoyed their biggest single-day gain since 2020. The Nasdaq increased 7.4%, the Russell 2000 jumped 6.1%, the S&P 500 rose 5.5%, and the Dow and the Global Dow advanced 3.7% and 3.8%, respectively. The yield on 10-year Treasuries fell 32.2 basis points, closing at 3.82% — a five-week low. Crude oil prices rose marginally, reaching \$86.18 per barrel. The dollar tumbled, while gold prices advanced.

Equities continued their rally last Friday, with the Global Dow (1.9%), the Nasdaq (1.9%), and the S&P 500 (0.9%) ending sharply higher. The Russell 2000 advanced 0.8% while the Dow inched up 0.1%. Treasuries did not trade last Friday in observance of Veterans' Day. Crude oil prices increased \$2.48 to \$88.95 per barrel. The dollar fell for the second consecutive day, while gold prices rose for the second day in a row.



Key Dates/Data Releases

11/15: Producer Price Index

11/16: Retail sales, import and export prices, industrial production

11/17: Housing starts

11/18: Existing home sales

Stock Market Indexes

| Market/Index | 2021 Close | Prior Week | As of 11/11 | Weekly Change | YTD Change |
|------------------------|-------------|-------------|-------------|---------------|------------|
| DJIA | 36,338.30 | 32,403.22 | 33,747.86 | 4.15% | -7.13% |
| Nasdaq | 15,644.97 | 10,475.25 | 11,323.33 | 8.10% | -27.62% |
| S&P 500 | 4,766.18 | 3,770.55 | 3,992.93 | 5.90% | -16.22% |
| Russell 2000 | 2,245.31 | 1,799.87 | 1,882.74 | 4.60% | -16.15% |
| Global Dow | 4,137.63 | 3,484.10 | 3,695.50 | 6.07% | -10.69% |
| Fed. Funds target rate | 0.00%-0.25% | 3.75%-4.00% | 3.75%-4.00% | 0 bps | 375 bps |
| 10-year Treasuries | 1.51% | 4.15% | 3.81% | -34 bps | 230 bps |
| US Dollar-DXY | 95.64 | 110.74 | 110.74 | -3.95% | 11.22% |
| Crude Oil-CL=F | \$75.44 | \$92.56 | \$89.00 | -3.85% | 17.97% |
| Gold-GC=F | \$1,830.30 | \$1,685.10 | \$1,770.60 | 5.07% | -3.26% |

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic News

- The release of the much-anticipated consumer price index last Thursday revealed consumer prices rose 0.4% in October, the same increase as in September. Prices excluding food and energy rose 0.3% after rising 0.6% in September. Over the last 12 months, consumer prices have risen 7.7%, down from 8.2% for the 12 months ended in September. Prices for food increased 0.6% in October following a 0.6% increase in the previous month. Energy prices, which had decreased each month since July, jumped 1.8% in October as gasoline prices increased 4.0% and fuel oil prices vaulted up 19.8%. Prices for shelter climbed 0.8% last month after increasing 0.7% in September. The October CPI held steady for the second consecutive month and is below forecasters' expectations. The latest data may support a pivot by the Federal Reserve to a less aggressive stance.
- The U.S. Treasury budget deficit decreased to \$87.8 billion in October, the first month of fiscal year 2023. The October deficit was \$341.9 billion lower than the September shortfall. Total government expenditures in October were \$406.4 billion, roughly \$41.0 billion below expenditures in September. Government receipts in October totaled \$318.6 billion, \$34.7 billion more than September receipts.
- According to the U.S. Energy Administration, the national average retail price for regular gasoline was \$3.796 per gallon on November 7, \$0.054 per gallon above the prior week's price and \$0.386 higher than a year ago. Also as of November 7, the East Coast price increased \$0.068 to \$3.590 per gallon; the Gulf Coast price advanced \$0.009 to \$3.186 per gallon; the Midwest price rose \$0.135 to \$3.776 per gallon; the West Coast price dropped \$0.083 to \$4.945 per gallon; and the Rocky Mountain price decreased \$0.029 to \$3.760 per gallon. Residential heating oil prices averaged \$5.905 per gallon on November 7, \$0.069 above the previous week's price and \$2.500 per gallon more than a year ago. In fact, despite a warm start to the winter heating season, which rumbled from October through March, heating oil prices have increased, while propane prices have remained relatively flat from last year.
- For the week ended November 5, there were 225,000 new claims for unemployment insurance, an increase of 7,000 from the previous week's level, which was revised up by 1,000. According to the Department of Labor, the advance rate for insured unemployment claims for the week ended October 29 remained 1.0%. The advance number of those receiving unemployment insurance benefits during the week ended October 29 was 1,493,000, an increase of 6,000 from the previous week's level, which was revised up by 2,000. States and territories with the highest insured unemployment rates for the week ended October 22 were Puerto Rico (1.9%), New Jersey (1.8%), California (1.8%), Alaska (1.6%), New York (1.3%), Rhode Island (1.2%), Massachusetts (1.2%), Nevada (1.1%), and Oregon (1.1%). The largest increases in initial claims for unemployment insurance for the week ended October 29 were in California (+1,989), Oregon (+1,541), Washington (+693), Illinois (+457), and Minnesota (+456), while the largest decreases were in Florida (-1,534), Kentucky (-1,007), North Carolina (-659), Arkansas (-517), and South Carolina (-471).

Eye on the Week Ahead

There's plenty of economic data to consider this week. A couple of reports that measure consumer price inflation are available with the release of the producer price index and the import and export prices report

for October. Prices producers received for goods and services increased 0.4% in September, while prices rose 8.5% year to date. The release of import and export prices is out this week. While most inflation indicators for September increased, import and export prices did not follow suit, as both import prices and export prices decreased. Also out this week is the release of the retail sales report for October. Retail sales were flat in September.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). News items are based on reports from multiple commonly available international news sources (i.e., wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Forecasts are based on current conditions, subject to change, and may not come to pass. U.S. Treasury securities are guaranteed by the federal government as to the timely payment of principal and interest. The principal value of Treasury securities and other bonds fluctuates with market conditions. Bonds are subject to inflation, interest-rate, and credit risks. As interest rates rise, bond prices typically fall. A bond sold or redeemed prior to maturity may be subject to loss. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indexes listed are unmanaged and are not available for direct investment.

This newsletter should not be construed as an offer to sell or the solicitation of an offer to buy any security. The information enclosed herewith has been obtained from outside sources and is not the product of Oppenheimer & Co. Inc. ("Oppenheimer") or its affiliates. Oppenheimer has not verified the information and does not guarantee its accuracy or completeness. Additional information is available upon request. Oppenheimer, nor any of its employees or affiliates, does not provide legal or tax advice. However, your Oppenheimer Financial Advisor will work with clients, their attorneys and their tax professionals to help ensure all of their needs are met and properly executed. Oppenheimer & Co. Inc. is a member of all principal exchanges and SIPC.