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Market Week: April 11, 2022



The Markets (as of market close April 8, 2022)

Stocks lost value last week as each of the benchmark indexes listed here finished lower. The Nasdaq and the Russell 2000 were hit the hardest, followed by the Global Dow, the S&P 500, and the Dow. Ten-year Treasury yields jumped 34 basis points as bond prices slid lower. The dollar strengthened against a bucket of currencies, and gold prices climbed higher. Crude oil prices declined by \$1.66 per barrel over the week. Most of the market activity was influenced by the release of the minutes from the last meeting of the Federal Open Market Committee, which revealed the Fed's intend to aggressively target inflation with monetary-policy tightening. The minutes also indicated that, but for the disruption of Russia's invasion of Ukraine on global markets, the Fed would have raised interest rates by 50 basis points last month.

Wall Street began the week on a positive note. Each of the benchmark indexes listed here closed last Monday higher, led by the Nasdaq, which added 1.9%. The S&P 500 climbed 0.8% and the Dow rose 0.3%. Tech shares led the upswing, while consumer discretionary and communication services paced the sectors. Ten-year Treasury yields added 3.5 basis points to reach 2.41%. The dollar and gold prices also advanced. Crude oil prices rose \$4.34 to \$103.61 per barrel.

Stocks retreated last Tuesday, with each of the indexes listed here closing in the red. Most equity sectors fell with information technology and consumer discretionary giving back Monday's gains. The Russell 2000 (-2.4%) and the Nasdaq (-2.3%) fell the furthest, followed by the S&P 500 (-1.3%), the Global Dow (-1.2%), and the Dow (-0.8%). The dollar and 10-year Treasury yields advanced, while crude oil prices fell to \$101.21 per barrel.

Last Wednesday saw stocks fall for the second consecutive day. The minutes from the last Federal Reserve meeting in March showed that officials were focused on slowing inflation by raising interest rates and quickly reducing the Fed's balance sheet. Tech shares fell, pulling the Nasdaq down 2.2%. The Russell 2000 dropped 1.4%, while the S&P 500 and the Global Dow lost 1.0%. The Dow slid 0.4%. Ten-year Treasury yields jumped 5.3 basis points to 2.6%. Crude oil prices decreased \$5.11 to \$96.85 per barrel. The dollar and gold prices were relatively flat. Among the market sectors, utilities, real estate, health care, and consumer staples advanced, while information technology dropped 2.6%.

Stocks rebounded last Thursday following a two-day slump. The S&P 500 added 0.4% as several of the market sectors advanced, with energy, health care, and consumer staples leading the gainers. The Dow rose 0.3% and the Nasdaq eked out a 0.1% gain. The Russell 2000 and the Global Dow slipped. Ten-year Treasury yields rose to 2.65%, the dollar and gold prices increased, and crude oil prices rose to \$97.13 per barrel.

Wall Street closed mostly lower last Friday as stocks and bond prices declined. The Dow (0.4%) and the Global Dow (0.6%) closed higher, but the Nasdaq (-1.3%), the Russell 2000 (-0.8%), and the S&P 500 (-0.3%) ended the day in the red. Treasury prices slid, driving yields up 6 basis points to 2.71%. Crude oil prices increased \$1.83 to \$97.86 per barrel. The dollar and gold prices also advanced.

Key Dates/Data Releases

4/12: Consumer Price Index,
Treasury budget statement

4/13: Producer Price Index

4/14: Retail sales, import
and export prices

4/15: Industrial production

Stock Market Indexes

Market/Index	2021 Close	Prior Week	As of 4/8	Weekly Change	YTD Change
DJIA	36,338.30	34,818.27	34,721.12	-0.28%	-4.45%
Nasdaq	15,644.97	14,261.50	13,711.00	-3.86%	-12.36%
S&P 500	4,766.18	4,545.86	4,488.28	-1.27%	-5.83%
Russell 2000	2,245.31	2,091.11	1,994.56	-4.62%	-11.17%
Global Dow	4,137.63	4,110.70	4,055.47	-1.34%	-1.99%
Fed. Funds target rate	0.00%-0.25%	0.25%-0.50%	0.25%-0.50%	0 bps	25 bps
10-year Treasuries	1.51%	2.37%	2.71%	34 bps	120 bps
US Dollar-DXY	95.64	98.54	99.85	1.33%	4.40%
Crude Oil-CL=F	\$75.44	\$99.52	\$97.86	-1.67%	29.72%
Gold-GC=F	\$1,830.30	\$1,926.70	\$1,948.40	1.13%	6.45%

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 latest goods and services trade report, out April 5, was for February and showed the trade deficit slipped 0.1% from January. Exports were \$4.1 billion, or 1.8%, more than January exports, and imports were \$4.1 billion, or 1.3%, above January. Year to date, the goods and services deficit increased \$45.7 billion, or 34.5%, from the same period in 2021. Exports increased \$68.0 billion, or 17.6%. Imports increased \$113.7 billion, or 22.0%.
- The services sector reported a strong upturn in business activity in March, according to the latest data from the S&P Global US Services PMI Business Activity Index. The expansion in output quickened to the fastest in four months amid stronger demand conditions and a steeper rise in new orders. Nevertheless, output prices increased markedly and were passed on to customers.
- The national average retail price for regular gasoline was \$4.170 per gallon on April 4, \$0.061 per gallon less than the prior week's price but \$1.313 higher than a year ago. Also as of April 4, the East Coast price decreased \$0.05 to \$4.05 per gallon; the Gulf Coast price fell \$0.07 to \$3.82 per gallon; the Midwest price slid \$0.08 to \$3.97 per gallon; the West Coast price decreased \$0.05 to \$5.22 per gallon; and the Rocky Mountain price declined \$0.02 to \$4.14 per gallon. Residential heating oil prices averaged \$3.42 per gallon, about \$0.69 per gallon less than the prior week's price. U.S. crude oil refinery inputs averaged 15.9 million barrels per day during the week ended April 1, which was 35,000 barrels per day more than the previous week's average. During the week ended April 1, refineries operated at 92.5% of their operable capacity. Gasoline production increased last week, averaging 9.1 million barrels per day.
- For the week ended April 2, there were 166,000 new claims for unemployment insurance, a decrease of 5,000 from the previous week's level, which was revised down by 31,000. According to the Department of Labor, the advance rate for insured unemployment claims for the week ended March 26 was 1.1%, unchanged from the previous week's rate, which was revised up by 0.2 percentage point. The advance number of those receiving unemployment insurance benefits during the week ended March 26 was 1,523,000, an increase of 17,000 from the previous week's level, which was revised up by 199,000. States and territories with the highest insured unemployment rates for the week ended March 19 were California (2.4%), New Jersey (2.4%), Alaska (2.2%), Illinois (2.1%), Rhode Island (2.1%), Massachusetts (2.0%), Minnesota (2.0%), New York (1.9%), and the Virgin Islands (1.7%). The largest increases in initial claims for the week ended March 26 were in Ohio (+3,580), Michigan (+3,545), California (+3,256), Texas (+2,251), and New York (+761), while the largest decreases were in Kentucky (-2,034), Pennsylvania (-732), Tennessee (-235), Florida (-165), and Connecticut (-138).

Eye on the Week Ahead

Inflationary data is available this week with the release of the Consumer Price Index, the Producer Price Index, import and export prices, and the retail sales report. Since February 2021, the CPI is up 7.5%, producer prices have advanced 10.0%, import prices have climbed 10.9%, and export prices have risen 16.6%.

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.

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