



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: March 28, 2022

The Markets (as of market close March 25, 2022)

Wall Street closed higher for the second consecutive week, despite several days where stock values seesawed. The tech-heavy Nasdaq led the gainers, followed by the S&P 500, the Global Dow, and the Dow. The small caps of the Russell 2000 edged lower. Information technology was the worst-performing sector, while energy had the biggest gains. Investors mulled the impact of inflation and tightening monetary policy, while President Joe Biden and NATO allies leveled a new set of sanctions against Russia. Crude oil prices shot higher at the end of the week after reports of a missile strike at a Saudi Aramco facility.

Equities began last week in the red as hawkish comments from Federal Reserve Chair Jerome Powell and escalating crude oil prices weighed on investors. Last Monday saw the Dow dip 0.6%, the S&P 500 was flat, while the Nasdaq slid 0.4%. Crude oil prices, 10-year Treasury yields, and the dollar all advanced.

Stocks rebounded last Tuesday to close higher, despite Federal Reserve Chair Jerome Powell's suggestion that higher interest-rate hikes may be needed to mitigate fast-rising inflation. Tech and growth shares rebounded from recent losses. The Nasdaq led the increase, climbing 2.0%, followed by the S&P 500 and the Russell 2000 (1.1%), the Global Dow (1.0%), and the Dow (0.7%). Ten-year Treasury yields continued to advance after gaining nearly 6 basis points to close at 2.37%. Crude oil and gold prices and the dollar all slid lower.

Equities couldn't continue their rally last Wednesday, closing the day in the red. Investors backed away from stocks following news that there was no change in the Ukraine war, the likelihood of two 50 basis-point interest-rate increases, and weaker-than-expected new home sales figures. The Russell 2000 slid 1.7%, the Nasdaq lost 1.3%, the Dow fell 1.3%, the S&P 500 dipped 1.2%, and the Global Dow dropped 0.7%. Ten-year Treasury yields lost some momentum falling marginally to 2.32%. Crude oil prices topped \$116.00 per barrel. The dollar and gold prices advanced.

In what may have been triggered by dip buyers, stocks closed higher last Thursday. Oil prices fell notably, down over 3.0% to \$111.25 per barrel. New jobless claims fell to a more than 50-year low last week, while the number of unemployed continued to drop. Among the indexes, the Nasdaq led the way, advancing 1.9%, followed by the S&P 500 (1.4%), the Dow and the Russell 2000 (1.0%), and the Global Dow (0.5%). Ten-year Treasury yields rose 2 basis points to 2.34%. Gold prices jumped more than \$25.00 to \$1,962.40 per ounce. The dollar rose minimally.

Stocks closed mixed last Friday, as the S&P 500 and the Global Dow gained 0.5%, the Dow edged up 0.4%, the Russell 2000 was flat, and the Nasdaq slipped 0.2%. Ten-year Treasury yields added 15 basis points to close at 2.5%. Crude oil prices rose marginally to \$113.00 per barrel. The dollar was flat, while gold prices fell.



Key Dates/Data Releases

3/28: International trade in goods

3/29: JOLTS

3/30: GDP

3/31: Personal income and outlays

4/1: Employment situation, Markit Manufacturing PMI

Stock Market Indexes

Market/Index	2021 Close	Prior Week	As of 3/25	Weekly Change	YTD Change
DJIA	36,338.30	34,754.21	34,861.24	0.31%	-4.06%
Nasdaq	15,644.97	13,893.84	14,169.30	1.98%	-9.43%
S&P 500	4,766.18	4,463.09	4,543.06	1.79%	-4.68%
Russell 2000	2,245.31	2,086.14	2,077.98	-0.39%	-7.45%
Global Dow	4,137.63	4,035.17	4,104.98	1.73%	-0.79%
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%	2.14%	2.49%	35 bps	98 bps
US Dollar-DXY	95.64	98.19	98.82	0.64%	3.32%
Crude Oil-CL=F	\$75.44	\$104.91	\$113.00	7.71%	49.79%
Gold-GC=F	\$1,830.30	\$1,920.10	1,954.10	1.77%	6.76%

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

- According to the latest information from the Census Bureau, sales of new single-family homes fell 2.0% in February from the previous month and are 6.2% below the February 2021 estimate. The median sales price of new houses sold in February 2022 was \$400,600 (\$427,400 in January). The average sales price was \$511,000 (\$494,000 in January). The estimate of new houses for sale at the end of February was 407,000. This represents a supply of 6.3 months at the current sales rate.
- New orders for durable goods slid 2.2% in February following four consecutive monthly increases. Excluding transportation, new orders decreased 0.6%. Excluding defense, new orders decreased 2.7%. Transportation equipment, down following three consecutive monthly increases, led the decrease, falling 5.6% in February. Nevertheless, new orders for durable goods have risen 14.2% since February 2021.
- The national average retail price for regular gasoline was \$4.239 per gallon on March 21, \$0.076 per gallon less than the prior week's price but \$1.374 higher than a year ago. Also as of March 21, the East Coast price decreased \$0.14 to \$4.13 per gallon; the Gulf Coast price fell \$0.09 to \$3.94 per gallon; the Midwest price dipped \$0.06 to \$4.04 per gallon; the West Coast price decreased \$0.07 to \$5.22 per gallon; and the Rocky Mountain price declined \$0.03 to \$4.11 per gallon. Residential heating oil prices averaged \$4.87 per gallon, about \$0.06 per gallon below the prior week's price but \$2.00 per gallon higher than last year's price at this time. Residential propane prices averaged nearly \$3.00 per gallon, \$0.04 per gallon lower than the previous week's price but \$0.66 per gallon above last year's price. U.S. crude oil refinery inputs averaged 15.9 million barrels per day during the week ended March 18, which was 276,000 barrels per day more than the previous week's average. During the week ended March 18, refineries operated at 91.1% of their operable capacity. Gasoline production averaged 8.8 million barrels per day last week.
- For the week ended March 19, there were 187,000 new claims for unemployment insurance, a decrease of 28,000 from the previous week's level, which was revised up by 1,000. This is the lowest level for initial claims since September 6, 1969, when it was 182,000. According to the Department of Labor, the advance rate for insured unemployment claims for the week ended March 12 was 1.0%, unchanged from the previous week's rate. The advance number of those receiving unemployment insurance benefits during the week ended March 12 was 1,350,000, a decrease of 67,000 from the previous week's level, which was revised down by 2,000. This is the lowest level for insured unemployment since January 3, 1970 when it was 1,332,000. States and territories with the highest insured unemployment rates for the week ended March 5 were California (2.5%), New Jersey (2.4%), Alaska (2.3%), Illinois (2.3%), Rhode Island (2.3%), Massachusetts (2.2%), Minnesota (2.2%), New York (2.1%), Connecticut (1.9%), and Pennsylvania (1.8%). The largest increases in initial claims for the week ended March 12 were in Michigan (+2,068), Ohio (+1,547), California (+1,274), Missouri (+850), and Illinois (+665), while the largest decreases were in New York (-16,098), Massachusetts (-1,116), New Jersey (-1,046), Washington (-992), and the District of Columbia (-945).

Eye on the Week Ahead

This week's releases include the latest GDP data, consumer spending and price information from the

personal income and outlays report, and the employment figures for March.

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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