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Market Week: April 24, 2023



The Markets (as of market close April 21, 2023)

Stocks were relatively listless last week, with only the Russell 2000 posting a gain of 0.6%. The Nasdaq, the Dow, and the Global Dow fell between 0.2% and 0.4%, while the S&P 500 was nearly flat. Energy stocks were among the worst performing, with crude oil prices posting their poorest week in about a month. Gold prices slipped below \$2,000.00 per ounce. The dollar edged higher, while 10-year Treasury yields climbed minimally. The start of corporate earnings season has been mixed at best, prompting investors to pause until this week when the initial estimate of first-quarter gross domestic product and the latest Personal Consumption Expenditures Price Index are released.

Wall Street opened last week on a positive note, pushed higher following a late-day market rally. The small caps of the Russell 2000 advanced 1.2% to lead the benchmark indexes listed here, with the Dow, the S&P 500, and the Nasdaq each gaining around 0.3%. The Global Dow broke even by the close of trading. Crude oil prices fell 1.9% to \$80.98 per barrel on signs of waning demand. Ten-year Treasury yields added 6.9 basis points to close at 3.59%. The dollar rose higher, while gold prices slid 0.4% to \$2,007.70 per ounce. Investors will be interested in corporate earnings season, which is picking up steam, with bank and financial earnings upcoming.

Stocks rode a roller coaster last Tuesday, ultimately ending the session about where they began. The S&P 500 (0.1%) and the Global Dow (0.5%) eked out gains, while the Russell 2000 fell 0.4%. The Dow and the Nasdaq ended the day flat. Crude oil prices dipped to \$80.85 per barrel. Ten-year Treasury yields slipped to 3.57%. The dollar declined, while gold prices advanced. Throughout the day, investors tried to assess a mixed bag of bank earnings reports against hawkish comments from Federal Reserve officials that implied more interest-rate hikes.

Last Wednesday saw stocks close marginally lower, with only the Russell 2000 (0.2%) gaining ground among the benchmark indexes listed here. The Nasdaq and the S&P 500 were flat, while the Dow and the Global Dow slid 0.2%. Gold prices settled 0.6% lower, while the dollar edged higher. Crude oil prices declined to \$78.99 per barrel, closing below the \$80.00 per barrel mark for the first time since April 10. The yield on 10-year Treasuries inched up 3.0 basis points to 3.60%.

Disappointing corporate earnings sent stocks lower last Thursday as investors worried about a softening economy. The Nasdaq slid 0.8%, the S&P 500 and the Global Dow dropped -0.6%, the Russell 2000 fell 0.5%, and the Dow lost 0.3%. Bond prices rose, pulling yields lower, with 10-year Treasury yields falling to 3.54%. Crude oil prices declined for the fourth straight day, closing at about \$77.29 per barrel. The dollar lost value, while gold prices increased nearly 0.5% to \$2,017.20 per ounce.

Stocks edged higher last Friday to close out a generally disappointing week. None of the benchmark indexes listed here gained more than 0.1%, but only the Global Dow trended lower. Ten-year Treasury yields rose 2.5 basis points to close at 3.57%. Crude oil prices rose \$0.40 per barrel. The dollar and gold prices slid lower.

Key Dates/Data Releases

4/25: New home sales

4/26: Durable goods orders, international trade in goods

4/27: GDP

4/28: Personal income and outlays

Stock Market Indexes

Market/Index	2022 Close	Prior Week	As of 4/21	Weekly Change	YTD Change
DJIA	33,147.25	33,886.47	33,808.96	-0.23%	2.00%
Nasdaq	10,466.48	12,123.47	12,072.46	-0.42%	15.34%
S&P 500	3,839.50	4,137.64	4,133.52	-0.10%	7.66%
Russell 2000	1,761.25	1,781.16	1,791.51	0.58%	1.72%
Global Dow	3,702.71	3,994.13	3,981.52	-0.32%	7.53%
Fed. Funds target rate	4.25%-4.50%	4.75%-5.00%	4.75%-5.00%	0 bps	50 bps
10-year Treasuries	3.87%	3.52%	3.57%	5 bps	-30 bps
US Dollar-DXY	103.48	101.57	101.71	0.14%	-1.71%
Crude Oil-CL=F	\$80.41	\$82.64	\$77.76	-5.91%	-3.30%
Gold-GC=F	\$1,829.70	\$2,019.10	\$1,993.70	-1.26%	8.96%

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 number of building permits for residential construction declined 8.8% in March. Residential building permits are down 24.8% since March 2022. Single-family home permits rose 4.1% last month. Housing starts fell 0.8% in March and 17.2% from a year ago. Housing starts for single-family homes increased 2.7% in March. Housing completions dipped 0.6% in March, although single-family home completions advanced 2.4%. A limited supply of existing homes for sale has likely driven a rise in single-family construction.
- Existing home sales fell 2.4% in March and are down 22.0% since March 2022. Unsold inventory in March sat at a 2.6 month supply, unchanged from February. The median sales price for existing homes was \$375,700 in March, up 3.3% from the previous month but 0.9% under the sales price from a year ago. Sales of existing single-family homes declined 2.7% in March and 21.1% from a year ago. Available inventory of single-family homes was at a 2.6-month supply, nearly the same as in February (2.5 months). The median sales price in March for existing single-family homes was \$380,000, 3.2% higher than the February price, but 1.4% under the March 2022 price.
- The national average retail price for regular gasoline was \$3.663 per gallon on April 17, \$0.067 per gallon more than the prior week's price but \$0.403 less than a year ago. Also, as of April 17, the East Coast price increased \$0.051 to \$3.512 per gallon; the Gulf Coast price advanced \$0.088 to \$3.341 per gallon; the Midwest price rose \$0.074 to \$3.590 per gallon; the Rocky Mountain price increased \$0.086 to \$3.524 per gallon; and the West Coast price increased \$0.068 to \$4.525 per gallon.
- For the week ended April 15, there were 245,000 new claims for unemployment insurance, an increase of 5,000 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 April 8 was 1.3%, an increase of 0.1 percentage point from the previous week's rate. The advance number of those receiving unemployment insurance benefits during the week ended April 8 was 1,865,000, an increase of 61,000 from the previous week's level, which was revised down by 6,000. This is the highest level for insured unemployment since November 27, 2021. States and territories with the highest insured unemployment rates for the week ended April 1 were California (2.4%), New Jersey (2.4%), Massachusetts (2.2%), Minnesota (2.1%), Rhode Island (2.1%), Alaska (1.8%), Illinois (1.8%), New York (1.8%), Oregon (1.7%), and Puerto Rico (1.6%). The largest increases in initial claims for unemployment insurance for the week ended April 8 were in California (+10,640), New Jersey (+3,378), Texas (+2,981), Pennsylvania (+2,921), and Connecticut (+1,619), while the largest decreases were in Ohio (-3,138), Indiana (-926), Missouri (-552), Michigan (-516), and Georgia (-468).

Eye on the Week Ahead

There's plenty of important economic data being released this week. The March report on new home sales kicks off the week. Sales of new, single-family homes rose 1.1% in February. New orders for durable goods dipped 1.0% in February after falling 5.0% in the previous month. The week closes with two very important reports. The advance estimate of gross domestic product for the first quarter is out. The economy accelerated at a rate of 2.6% for the fourth quarter. The week closes with the release of the report on

personal income and outlays. While personal income increased 0.3% in February, consumer spending slowed from 1.8% in January to 0.2% in February, as consumers felt the pinch of rising prices. The Personal Consumption Expenditures Price Index, a measure of inflation, rose 0.3% in February after climbing 0.6% during the prior month. For the 12 months ended in February, the PCE price index climbed 5.0%, down from the January pace of 5.4%.

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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