

Friday Forethought

For week ending December 30, 2022

2022 – Goodbye!

As investors continued to assess the likelihood of a looming recession, depressed housing data and uncertainty of China's abrupt reopening, hopes for a year-end rally (Santa rally) faded. However, yesterday, amidst the usual year-end tax loss selling, the market pushed higher after the Labor Department reported an increase in jobless claims from last week (which could be a signal that the Fed's efforts to cool the economy are starting to work), and first-time filings for unemployment benefits rose week-over-week - slightly above expectations. Many analysts forecast an upward spike suggesting out-of-work individuals may find it harder find new employment. If so, this scenario could soften the Fed's stance of future rate hikes.

Based on the market declines the three previous quarters, investors understandably are anticipating a recession to materialize early next year. Analysts and strategists are still uncertain about the severity of an anticipated recession, but it appears that many expect it to be relatively mild.

Our Take



While we may be overdue for a decent rebound, there are too many variables that can affect it. We expect further volatility going into the new-year, which will be accompanied by uncertainty for a soft landing. Post-holiday inflation data next month will be key for the Fed's game plan. For those with cash, there are some conservative opportunities in CDs and mutual funds that pay 4% and better, and for those fully invested, look to your time horizon to see how the current cycle fits into your plans. We will have a bumpy road for a while, so always consider long term focus when making changes to your portfolio. If you have any questions or would like additional information, please feel free to contact us.

Happy New Year from the Quin Oaks Team!

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Leading Trends

The S&P 500 Energy and S&P 500 Consumer Staples Sector are the leading sectors year-to-date: up 57.84% and down 2.71% respectively

Lagging Trends

S&P 500 Consumer Discretionary Sector and S&P 500 Communication Services Sector are the lagging sectors year-to-date: down 37.40% and down 40.40% respectively.

Weekly Markets

↑	S&P 500	3,849.28	+0.70%
↑	NASDAQ	10,478.09	+0.02%
↑	DJIA ¹	33,220.80	+0.59%

¹Dow Jones Industrial Average

↑	10-YR US Treasury	3.820%	+13.79 bps
↑	GOLD	1,821.80	+1.19%
↑	OIL	78.71	+0.60%

Market close 12-22-2022 to market close 12-29-2022

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