

Friday Forethought

For week ending March 10th 2023

What The Fed Said

This week began slightly up on the coattails of the previous week's better-than-expected services and manufacturing data. However, this momentum did not last long as investors' attention turned to Fed Chairman, Jerome Powell's testimony before Congress; where he stated that because our economy is still too strong and has yet to properly succumb to inflationary pressures, interest rates are "likely to be higher than previously anticipated." His comments, combined with a majority of analysts feeling that the March rate hike will be 0.5% (rather than the originally announced 0.25%), drew downward pressure across all markets. Yesterday, Wall Street's main indexes rose after a jump in weekly jobless claims soothed worries about sharper interest rate hikes, but quickly turned negative as banks and other financial stocks sold off, and investors braced for a key payroll report today that could shape the direction of interest rates.

Our Take



Not much of a change in our recommendations over previous weeks. Although Fed Chair Powell's comments were not welcomed, they are not much of a surprise – based on the banks' past actions. There is a fair amount of cash on the sidelines, waiting for the 'right' moment; and that is creating negative sentiment overall. In the meantime, fixed income continues to look attractive, and there continue to be 'stock-picking' opportunities. The market waters will continue with some notable ebbs and flows, so it is important to have a portfolio that is designed to help you maintain your path to your long-term goals.

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Leading Trends

The S&P 500 Information Technology Sector and S&P 500 Communication Services Sector are the leading sectors year-to-date: up 10.90% and up 8.67% respectively.

Lagging Trends

The S&P 500 Utilities Sector and The S&P 500 Health Care Sector are the lagging sectors year-to-date: down 7.81% and down 8.26% respectively.

Weekly Markets

	S&P 500	3,918.32	-1.58%
	NASDAQ	11,338.35	-1.09%
	DJIA ¹	32,254.86	-2.27%

¹Dow Jones Industrial Average

	10-YR US Treasury	3.911%	-15.06 bps
	GOLD	1,835.00	-0.39%
	OIL	75.60	-2.93%

Market close 3-2-2023 to market close 3-9-2023

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