

Recession fears grew last week following weak earnings reports from major retailers, sending stocks lower.

The Dow Jones Industrial Average fell 2.90%, while the Standard & Poor's 500 lost 3.05%. The Nasdaq Composite index dropped 3.82% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, gained 0.84%.^{1,2,3}

MARKET INSIGHTS



Market Index	Close	Week	Y-T-D
DJIA	31,261.90	-2.90%	-13.97%
NASDAQ	11,354.62	-3.82%	-27.42%
MSCI-EAFE	1,958.61	+0.84%	-16.16%
S&P 500	3,901.36	-3.05%	-18.14%



Treasury	Close	Week	Y-T-D
10-Year Note	2.78%	-0.15%	+1.26%

Sources: The Wall Street Journal, May 20, 2022; Treasury.gov, May 20, 2022

Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, May 13, to Friday, May 20, close. Weekly performance for the MSCI-EAFE is measured from Friday, May 13, open to Thursday, May 19, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Trending Lower

Stock prices remained in a downtrend, capped by a sell-off on Wednesday following a succession of disappointing earnings reports from several major retailers. Despite solid April retail sales and industrial production data, weak economic numbers from China and shrinking profit margins at U.S. retailers fanned recession fears throughout the week.

Rising yields, which have been an overhang to the markets in recent weeks, turned lower as investors appeared to move cash to bonds from stocks. But lower yields did not help stock prices, which closed out the week with a volatile trading session.

Cloudy Picture with Retailers

Investors received a mixed message from the retail sector. April's retail sales increased 0.9% from March, signifying that consumer spending remained strong. But it was difficult to determine from the retail sales report whether the increase was a function of higher retail prices or a resilient consumer.⁴

It was also a big week for earnings reports from some of the nation's largest retailers. Results were disappointing as retailers struggled with supply chain issues, higher costs, and misaligned product mix. Some retailers indicated a drop in the number of transactions, suggesting that shoppers reduce purchases due to higher prices on essential items.

This Week: Key Economic Data

Tuesday: Purchasing Managers' Index (PMI) Composite Flash. New Home Sales.

Wednesday: Federal Open Market Committee (FOMC) Minutes. Durable Goods Orders.

Thursday: Gross Domestic Product (GDP). Jobless Claims.

Friday: Consumer Sentiment.

Source: Econoday, May 20, 2022

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

This Week: Companies Reporting Earnings

Monday: Zoom Video Communications (ZM).

Tuesday: Best Buy Co., Inc. (BBY), AutoZone, Inc. (AZO), Intuit, Inc. (INTU).

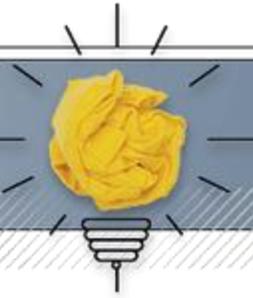
Wednesday: Nvidia Corporation (NVDA), Snowflake, Inc. (SNOW).

Thursday: Costco Wholesale Corporation (COST), Marvell Technology, Inc. (MRVL), Workday, Inc. (WDAY), Dollar General Corporation (DG), Dell Technologies, Inc. (DELL), VMware, Inc. (VMW).

Source: Zacks, May 20, 2022

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

FOOD FOR THOUGHT



"It takes a very long time to become young."

– Pablo Picasso

TAX TIP



Don't Forget to Check Your Withholding

When was the last time you checked your tax withholding? Having the correct amount of tax withheld from your wages is an essential part of properly managing your taxes. The amount you withhold depends on your income, the number of children you claim on your return, and more.

The IRS has a helpful tool on their site called their Tax Withholding Estimator that can help you know if you have too much or too little tax withheld from your wages. Before using the tool, make sure you have all your paperwork handy, including your W2, 1099, 1095-A, and 1099-NEC, and any other forms you need to determine how much of your income is taxable.

* This information is not intended to be a substitute for specific, individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS.gov⁵



What is Foam Rolling?

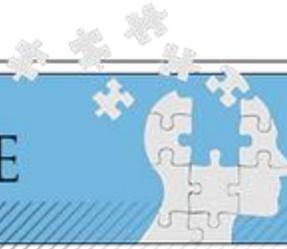
Exercise is super important for our overall health, but so is recovery. Foam rollers are a popular recovery tool because they can help release tension in tight, tired muscles.

Foam rollers are large cylinders made from high-density foam. They come in different sizes and firmness levels and can be used to massage both large and smaller muscle groups. Depending on your needs, you can use the foam roller before or after a workout.

You can do countless foam rolling exercises for sore muscles, including rolling out your hamstrings, quads, upper back, lower back, IT band, triceps, forearm, and more.

Tip adapted from WebMD⁶

WEEKLY RIDDLE



Two trains are crossing America from coast to coast, traveling over 3,000 miles of track. The Gentle Zephyr is going west at 70mph; the Western Wind is headed east at 80mph. So which train will be closer to the east coast when they roll by each other in Kansas?

Last week's riddle: Name two words in the English language that have the letter l twice in the middle of the word. Riddle answer: Skiing, taxiing.

PHOTO OF THE WEEK





Lighthouse of Westerhever, Westerhever, Schleswig-Holstein, Germany

Footnotes and Sources

1. The Wall Street Journal, May 20, 2022
2. The Wall Street Journal, May 20, 2022
3. The Wall Street Journal, May 20, 2022
4. The Wall Street Journal, May 17, 2022
5. IRS.gov, January 20, 2021
6. webmd.com, August 17, 2021

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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

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Please consult your financial professional for additional information.

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