


With the Fed in focus, the markets experienced wide price swings over the course of last week, as technology companies led the market lower.

The Dow Jones Industrial Average slipped 0.24%, while the Standard & Poor's 500 declined 0.21%. The Nasdaq Composite index dropped 1.54% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, fell 1.99%.<sup>1,2,3</sup>



Market Index	Close	Week	Y-T-D
DJIA	32,899.37	-0.24%	-9.46%
NASDAQ	12,144.66	-1.54%	-22.37%
MSCI-EAFE	1,993.23	-1.99%	-14.68%
S&P 500	4,123.34	-0.21%	-13.49%



	Treasury	Close	Week	Y-T-D
	10-Year Note	3.12%	+0.23%	+1.60%

Sources: The Wall Street Journal, May 6, 2022; Treasury.gov, May 6, 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, April 29, to Friday, May 6, close. Weekly performance for the MSCI-EAFE is measured from Friday, April 29, open to Thursday, May 5, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

## A Wild Week

After successive daily gains to begin the week, stocks staged a powerful relief rally in response to Wednesday's Federal Open Market Committee (FOMC) announcement, aided by Fed Chair Powell's comment that a 75-basis point hike was not under active consideration.

Stocks, however, dropped the following day as investors reassessed the implications of a tighter monetary policy. Also on Thursday, the yield on the 10-year Treasury Note closed above three percent. News that worker productivity fell 7.5% and labor costs rose 11.6% in the first quarter fanned inflation fears and added to investor unease.

Despite a better-than-expected employment report, stocks closed out the week with another day of losses amid volatile trading.<sup>4</sup>

## **Fed Raises Rates**

The May 2022 FOMC meeting resulted in an increase of 50 basis points in the federal funds rate, the largest rate increase since 2000. In a post-meeting press conference, Fed Chair Powell said additional 50 basis point hikes are likely, acknowledging that inflation was much too high and sending assurances that he was committed to price stability.

The Fed also announced that it would begin reducing its \$9 trillion balance sheet by \$95 billion a month, a step the markets had been anticipating.<sup>5</sup>

## **This Week: Key Economic Data**

**Wednesday:** Consumer Price Index (CPI).

**Thursday:** Producer Price Index (PPI). Jobless Claims.

**Friday:** Consumer Sentiment.

Source: Econoday, May 6, 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:** Tyson Foods, Inc. (TSN).

**Tuesday:** Occidental Corporation (OXY), Sysco Corporation (SYY).

**Wednesday:** The Walt Disney Company (DIS), Rivian Automotive, Inc. (RIVN).

**Thursday:** Affirm Holdings, Inc. (AFRM).

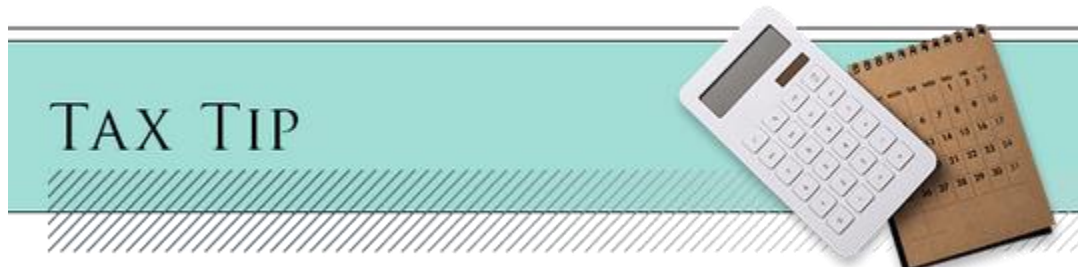
Source: Zacks, May 6, 2022

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*"A pleasure is full grown only when it is remembered."*

**– C.S. Lewis**



## **You May Be Able to File Your State and Federal Tax Returns for Free**

Taxpayers whose adjusted gross income was \$72,000 or less may be able to file their federal taxes for free using IRS Free File and may also be able to do their state taxes at no charge through the same service. More than 20 states have their own state Free File program that is similar to the federal service.

IRS Free File partners also feature a number of helpful online products and through Free File, taxpayers can choose the Free File option, guided tax preparation, or Free File Fillable Forms. Make sure to filter for the free options because some additional services may have a charge.

\* 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.gov<sup>6</sup>



## **What Is Meatless Monday?**

Thanks to new (and much more delicious) meat substitutes, more people are swapping at least one meal a week for a vegetarian dish. One of the most popular ways to do this is starting Meatless Monday in your household!

There are many potential health and environmental benefits of eating less meat and more plant-based choices. While you might not be ready or interested in giving up meat entirely, subbing in meatless meals on Monday is a great change of pace and might open your eyes to more delicious plant-based meals like:

- Veggie lasagna
- Vegetarian pizza
- Pasta with lentils
- Homemade falafel and hummus
- Protein-packed salads

The possibilities for Meatless Monday are endless! Your body and the environment will thank you for eating more plants.

Tip adapted from The Monday Campaigns<sup>7</sup>



A librarian finds that pages have been ripped out of a novel. Pages 28, 29, 148, 211 and 212 are torn out. Given this, how many separate sheets of paper have been torn from the book?

*Last week's riddle: What is the number missing within this sequence? 4, 7, 11, 18, 29, 47, \_\_, 123, 199, 322. Answer: The missing number is 76. Beginning with the third number in the sequence, each number is the sum of the two preceding numbers.*





*Rainbow Bridge, Smiths Ferry, Idaho.*

## Footnotes and Sources

1. The Wall Street Journal, May 6, 2022
2. The Wall Street Journal, May 6, 2022
3. The Wall Street Journal, May 6, 2022
4. CNBC, May 5, 2022
5. CNBC, May 4, 2022
6. IRS.gov, February 16, 2021
7. mondaycampaigns.org, February 22, 2022

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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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International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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