



Hi {Firstname},

Stocks continued their upward climb last week as excitement around big tech continued; positive economic reports stoked investors' belief that the Federal Reserve has pulled off a soft landing.

Stocks Power Ahead

Big tech was back last week, pushing the Dow and the S&P 500 to new highs early in the week as markets resumed the late Q4 rally.

The so-called “Magnificent Seven” stocks—comprising 28% of the S&P 500 Index—resumed their pole position at the head of the pack as investors maintained their artificial intelligence (AI)-related bullishness and rewarded widespread cost-cutting at many tech giants. While the rally fizzled on Friday, the week's gains were slow but steady.^{1,2,3}

The big economic news last week was better-than-expected economic growth and inflation news. Real Gross Domestic Product grew at a 3.3% annualized clip in Q4 2023, ahead of Wall Street consensus expectations of 2%.

The Personal Consumption Expenditures (PCE) Index, one of the Fed's most favored inflation gauges, showed core inflation (excluding food and energy) cooled in December, with an annualized rate of 2.9%, beating consensus expectations. Core inflation was 3.2% on an annualized basis—its lowest level since March 2021. While the inflation update didn't move markets much, it helped validate investors' optimism that Fed policy has maintained economic growth while bringing inflation down.⁴

MARKET INSIGHTS



Major Index Return Summary

Name	ROC 5	1M TR	YTD TR	1Y TR
<u>Dow Jones Industrial Average</u>	0.65%	1.59%	1.20%	14.69%
<u>MSCI EAFE</u>	2.00%	0.57%	-0.56%	9.14%
<u>Nasdaq Composite</u>	0.94%	2.56%	2.98%	35.37%
<u>S&P 500</u>	1.06%	2.54%	2.62%	22.43%

S&P 500 Daily Close



10-Year Note Review

Indicator Name	Latest Value	1M Ago	1M Change
Date		3M Ago	3M Change

Source: YCharts.com, January 27, 2024. Weekly performance is measured from Monday, January 22, to Friday, January 26.

ROC 5 = the rate of change in the index for the previous 5 trading days.

TR = total return for the index, which includes any dividends as well as any other cash distributions during the period.

Treasury note yield is expressed in basis points.

Earnings Season Feeds FOMO

The market digested Q4 earnings news from some of the largest companies, with enthusiasm feeling like FOMO. The “fear of missing out” drove much investor sentiment and seemed to build market momentum.

While the enthusiasm for AI continues to be one driver of technology stock prices, the spotlight last week was on layoffs. Over 23,000 workers at 85 tech companies have lost their jobs this month. The market appears to be rewarding the cost-cutting measures, with many tech giants repositioning themselves with AI in mind, and some analysts inferring that this emphasis on efficiency may encourage investors.^{5,6}

This Week: Key Economic Data

Tuesday: FOMC Meeting. Consumer Confidence. Home Price Index.

Wednesday: FOMC Announcement/Fed Chair Press Conference.

Thursday: Jobless Claims. ISM Manufacturing Index. Fed Balance Sheet.

Friday: Employment Situation.

Source: Investors Business Daily - Econoday economic calendar; January 26, 2024

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

Tuesday: Microsoft Corporation (MSFT), Alphabet Inc. (GOOG, GOOGL), United Parcel Service, Inc. (UPS), Starbucks Corporation (SBUX)

Wednesday: Mastercard Incorporated (MA), The Boeing Company (BA), Automatic Data Processing, Inc. (ADP)

Thursday: Apple Inc. (AAPL), Amazon.com, Inc. (AMZN), Meta Platforms, Inc. (META), Merck & Co., Inc. (MRK)

Friday: Exxon Mobil Corporation (XOM), Bristol Myers Squibb Company (BMY)

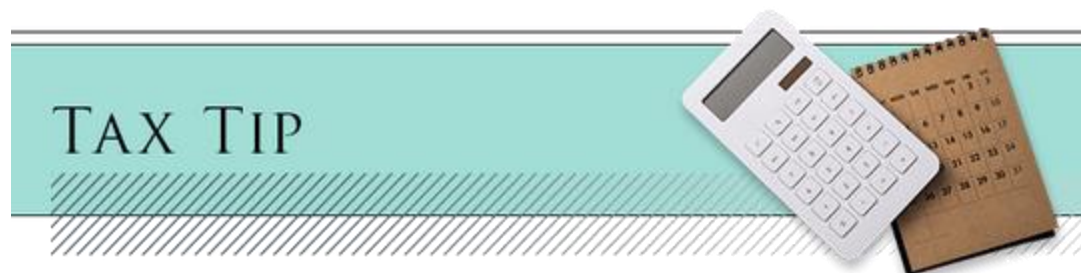
Source: Zacks, January 26, 2024

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"I believe in intuitions and inspirations. I sometimes feel that I am right. I do not know that I am."

- Albert Einstein



Couples Who Work Together, Tax Together

As more households decide to start a business, many couples learn about the tax responsibilities related to such businesses. Here are some things to consider when working together:

- You should establish whether you have a partnership business (in which both spouses have an equal say in business affairs, services, and capital) or an employee/employer relationship (with one spouse substantially controlling management decisions).

These relationships involve different tax situations.

- If an employee/employer relationship exists, the second spouse (employee) may be subject to income, Social Security, and Medicare tax.
- If there is a partnership relationship, you may need to report the business income on Form 1065, US Return of Partnership Income.

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

Tip adapted from IRS.gov⁷



Four Tips To Help You Sleep Better

Sleep is one of the most important things we do to stay healthy and energized. Much more goes into getting a good night's sleep than simply resting your head on the pillow, so here are some tips for getting your shut-eye:

- Increase bright light exposure during the day. You probably already know that it helps to keep your room dark while you sleep, but did you know it's also beneficial to get enough bright light during the day? These contrasts tell your body when it's time to go to sleep. This natural clock is called your circadian rhythm.
- Reduce blue light exposure in the evening. The luminance from our devices (smartphones, tablets, and TVs) is called blue light and can disrupt your sleep cycle. Try to limit blue light at least two

hours before bedtime. Some devices offer a setting that automatically “warms” the light to limit these blue hues.

- Try to wake up and sleep consistently, even on weekends, as this is another way to set up your body’s circadian rhythm for success.
- Adjust your bedroom temperature. Did you know that the temperature in your bedroom can affect your sleep? Some studies show that temperature matters even more than noise, and some sleep experts recommend keeping your bedroom at around 70 degrees.

Tip adapted from Healthline[®]



What five-letter word becomes shorter when you add two letters to it?

Last week's riddle: I am gentle enough to soothe the skin, light enough to reflect the sky, yet hard enough to crack rocks. What am I? Answer: Water.

PHOTO OF THE WEEK



Sleepy koala on a eucalyptus tree

Footnotes And Sources

1. The Wall Street Journal, January 22, 2024

2. CNBC.com, January 22, 2024

3. The Wall Street Journal, January 25, 2024

4. CNBC.com, January 25, 2024

5. Slickcharts.com, January 26, 2024

6. CNBC.com, January 26, 2024

7. IRS.gov, July 27, 2023

8. Healthline.com, October 9, 2023

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