

Tuesday, February 21, 2023

Good morning:

Markets consolidated a bit last week as many companies reported Q1 earnings and provided guidance for the remainder of 2023. For the week, the S&P 500 was down slightly at .20%. The Dow Jones was essentially flat, and the Nasdaq was up .63%. The outperformer was the Russell 2000 index, registering a gain of 1.47%. At the outset of trading this morning, markets are weaker with major indices declining by about 1%.

Over the course of the next few quarters, market participants will continue to pay close attention to any change in interest rate policy from the Fed Chairman Jerome Powell. The debate amongst economists and strategists alike will revolve around how quickly inflation will decline, will corporate earnings be substantively impacted, and will the labor market remain tight (or will unemployment begin to rise). We do expect this push and pull in the economy and financial markets to continue well into 2023.

We wanted to share a recent short video from our partners at Federated Hermes. Steven Chiavarone, CFA offers his insights on current interest rate policy and the outlook for the remainder of 2023. We enjoyed his commentary and felt it was worth a quick listen.

<https://www.federatedinvestors.com/insights/video/elevation-sickness.do>

"The Fed may pause this year, but a pivot is unlikely."

Have a great week!

Mark and Jeff

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S&P 500 Index is an unmanaged, market value-weighted index of 500 stocks generally representative of the broad stock market. An investment cannot be made directly in a market index.

The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

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Market return and statistical data obtained from: https://am.jpmorgan.com/blob-gim/1383452890099/83456/weekly_market_recap.pdf?segment=AMERICAS_US_ADV&locale=en_US

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