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INCORPORATED

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Market Week: March 6, 2023

The Markets (as of market close March 3, 2023)

A late rally sent stocks higher by the end of last week. Each of the benchmark indexes listed here gained nearly 2.0%, with the Nasdaq climbing 2.6% to lead the way. The large caps of the Dow and S&P 500 also rallied at the end of the week and are above their respective 2022 year-end values. Ten-year Treasury yields inched higher, despite bond prices staging a late-week price increase. The dollar index dipped below 105, while gold prices enjoyed their first weekly advance, following four consecutive weekly declines. Crude oil prices closed up by more than 4.0%, erasing losses earlier in the week.

Wall Street saw stocks climb higher to kick off last week. Each of the benchmark indexes listed here ended last Monday's session in the black, led by the Global Dow (0.8%), followed by the Nasdaq (0.6%). The S&P 500 and the Russell 2000 added 0.3%, while the Dow edged up 0.2%. The yield on 10-year Treasuries dipped slightly lower, ending the day at 3.92%. Crude oil prices slipped \$0.60 to \$75.73 per barrel. The dollar fell nearly half a percent, while gold prices gained \$6.60 to reach \$1,823.70 per ounce.

Stocks ended last Tuesday lower, following another up-and-down session. The large caps of the Dow (-0.7%) and the S&P 500 (-0.3%) closed lower, the Nasdaq dipped 0.1%, and the Global Dow lost 0.2%. Of the benchmark indexes listed here, only the Russell 2000 ended the day barely ahead after gaining 0.04%. Ten-year Treasury yields changed little, settling at 3.91%. The dollar and gold prices advanced. Crude oil prices closed up, ending the session at about \$77.05 per barrel.

Last Wednesday began with a rally for stocks. Unfortunately, investors' concerns about the Federal Reserve's higher-for-longer policy of interest-rate hikes ultimately ended with stocks closing the session mixed. The Nasdaq (-0.7%) and the S&P 500 (-0.5%) ended the day lower, while the Dow, the Russell 2000 and the Global Dow ended the day flat. Ten-year Treasury yields added 7.8 basis points to reach 3.99%. Crude oil prices rallied to end the session at about \$77.68 per barrel. The dollar slipped lower, while gold prices advanced for the third session in a row.

Wall Street rebounded last Thursday as dip buyers culled stocks that had lost value over the last few sessions. The Dow led the benchmark indexes listed here, gaining 1.1%, followed by the S&P 500 (0.8%), and the Nasdaq (0.7%), while the Russell 2000, and the Global Dow inched up 0.2%. Bond prices continued to fall, with yields on 10-year Treasuries above 4.0% for the first time since November 2022 after ending the session at 4.07%. Crude oil prices rose a few cents, reaching \$77.97 per barrel. The dollar advanced, while gold prices fell.

Stocks continued to rally last Friday, ending the day and the week higher. Each of the benchmark indexes listed here posted solid gains by the close of trading, led by the Nasdaq (2.0%), followed by the S&P 500 (1.6%), the Global Dow (1.4%), the Russell 2000 (1.3%), and the Dow (1.2%). Bond prices reversed course from earlier sessions, climbing higher while yields slid lower. Ten-year Treasury yields dipped nearly 11.0 basis points to close at 3.96%. Crude oil prices neared \$80.00 per barrel after gaining 2.0% to close at about \$79.74 per barrel. The dollar slid lower, while gold prices rose higher.





Key Dates/Data Releases

3/8: International trade in goods and services, JOLTS
 3/10: Employment situation, Treasury statement

Stock Market Indexes

Market/Index	2022 Close	Prior Week	As of 3/3	Weekly Change	YTD Change
DJIA	33,147.25	32,816.92	33,390.35	1.75%	0.73%
Nasdaq	10,466.48	11,394.94	11,689.01	2.58%	11.68%
S&P 500	3,839.50	3,970.04	4,045.48	1.90%	5.36%
Russell 2000	1,761.25	1,890.49	1,927.83	1.98%	9.46%
Global Dow	3,702.71	3,864.39	3,953.83	2.31%	6.78%
Fed. Funds target rate	4.25%-4.50%	4.50%-4.75%	4.50%-4.75%	0 bps	25 bps
10-year Treasuries	3.87%	3.94%	3.96%	2 bps	9 bps
US Dollar-DXY	103.48	105.23	104.53	-0.67%	1.01%
Crude Oil-CL=F	\$80.41	\$76.58	\$79.74	4.13%	-0.83%
Gold-GC=F	\$1,829.70	\$1,818.10	\$1,861.20	2.37%	1.72%

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic News

- New orders for manufactured durable goods fell 4.5% in January after increasing 5.1% the previous month. Transportation was a drag on overall new orders, dropping 13.3% in January. Excluding transportation, new orders for durable goods increased 0.7%. Shipments of durable goods decreased for the first time in 17 months, slipping 0.1% in January. Shipments of transportation equipment dropped 1.7%, following 10 consecutive monthly increases. New orders for nondefense capital goods in January decreased 15.3%, while new orders for defense capital goods increased 3.8%.
- According to the latest purchasing managers' index from S&P Global, companies reported a decline in manufacturing in February, although the pace of regression was softer than it was in January. The S&P Global US Manufacturing Purchasing Managers' Index™ posted 47.3 in February. A reading of 50.0 or less indicates a decline in manufacturing. Weak client demand led to contractions in manufacturing output and new orders. The rate of price inflation accelerated again to a marked pace as firms sought to pass on higher costs to customers. Conversely, input costs increased at a softer rate.
- Unlike the manufacturing sector, surveyed purchasing managers' saw growth in business activity in the services sector in February, according to the S&P Global US Services PMI™. While the uptick in business activity was marginal, it brought an end to seven months of contraction. Firms linked the increase in output in February to a pick-up in demand and a slower fall in new orders. However, inflationary pressures remained a drag on customer spending. Nevertheless, service providers increased employment at the fastest rate since September 2022.
- The international trade in goods deficit expanded by 2.0% in January over December. Exports of goods were \$173.8 billion, 4.2% more than December exports. Imports of goods were \$265.3 billion, 3.4% above the December total. The trade in goods deficit in January was 16.7% less than the deficit in January 2022.
- Average regular retail gas prices continued to fall last week. The national average retail price for regular gasoline was \$3.342 per gallon on February 27, \$0.037 per gallon less than the prior week's price and \$0.266 less than a year ago. Also, as of February 27, the East Coast price decreased \$0.047 to \$3.244 per gallon; the Gulf Coast price dipped \$0.095 to \$2.912 per gallon; the Midwest price fell \$0.050 to \$3.170 per gallon; the Rocky Mountain price decreased \$0.044 to \$3.782 per gallon; but the West Coast price increased \$0.061 to \$4.250 per gallon. Residential heating oil prices averaged \$4.231 per gallon on February 27, \$0.032 below the previous week's price, but \$0.177 per gallon more than a year ago.
- For the week ended February 25, there were 190,000 new claims for unemployment insurance, a decrease of 2,000 from the previous week's level. According to the Department of Labor, the advance rate for insured unemployment claims for the week ended February 18 was 1.1%, unchanged from the previous week's rate. The advance number of those receiving unemployment insurance benefits during the week ended February 18 was 1,655,000, a decrease of 5,000 from the previous week's level, which was revised up by 6,000. States and territories with the highest insured unemployment rates for the week ended February 11 were New Jersey (2.7%), Rhode Island (2.5%), Minnesota (2.3%), California (2.3%), Massachusetts (2.3%), Alaska (2.1%), Illinois (2.1%), Montana (2.0%), Connecticut (1.9%),





Puerto Rico (1.9%), and New York (1.9%). The largest increases in initial claims for unemployment insurance for the week ended February 18 were in Kentucky (+6,099), New Jersey (+1,063), Kansas (+545), Pennsylvania (+496), and the District of Columbia (+378), while the largest decreases were in California (-4,706), Michigan (-2,521), New York (-2,105), Minnesota (-1,479), and Wisconsin (-1,420).

Eye on the Week Ahead

The employment figures for February are available at the end of this week. The labor sector continues to run hotter than expected, with over 500,000 new jobs added in January. The unemployment rate remains steady, while the number of unemployed persons hasn't changed dramatically in several months, indicating that employment is probably nowhere near full capacity. A strong labor report will support further interest-rate hikes from the Federal Reserve as it tries to curb inflation.

Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI, Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). News items are based on reports from multiple commonly available international news sources (i.e., wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Forecasts are based on current conditions, subject to change, and may not come to pass. U.S. Treasury securities are guaranteed by the federal government as to the timely payment of principal and interest. The principal value of Treasury securities and other bonds fluctuates with market conditions. Bonds are subject to inflation, interest-rate, and credit risks. As interest rates rise, bond prices typically fall. A bond sold or redeemed prior to maturity may be subject to loss. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 largest, publicly traded companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indexes listed are unmanaged and are not available for direct investment.

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