

A hot inflation print and the growing concern of a Russian invasion of Ukraine sent stocks tumbling late in the week, leaving major indices lower for the five-trading days.

The Dow Jones Industrial Average skidded 1.00%, while the Standard & Poor's 500 retreated 1.82%. The Nasdaq Composite index slumped 2.18%. The MSCI EAFE index, which tracks developed overseas stock markets, advanced 2.26%.^{1,2,3}



A Double Whammy

Mid-week, a fresh batch of positive corporate earnings surprises lifted investor sentiment, helping stocks claw back losses with technology stocks posting some of the sharpest gains. But January's inflation report, set for release on Thursday morning, remained investors' biggest concern.

When the report hit, it showed accelerating inflation, and stocks dropped and bond yields bounded higher. Stocks managed to recover from the initial reaction to the unexpectedly high inflation number. But when the President of the Federal Reserve Bank of St. Louis commented that the Fed may consider a more aggressive move against inflation, stocks resumed their slide lower. The stock skid accelerated into Friday on White House reports that an invasion of Ukraine by Russian forces may be imminent.⁴

Inflation Sizzles

Prices of consumer goods accelerated in January, rising 0.6% from the previous month and 7.5% year-over-year. This annual inflation rate was the highest since 1982. Core inflation, which excludes the more volatile food and energy prices, was 6.0% higher from last January.⁵

Many economists and market analysts had expected inflation to moderate, but driven by a surge in prices of used cars, gasoline, and energy, inflation remained at elevated levels. The persistence of inflation at these heights has fueled investor concerns that the Fed might consider a more aggressive 50-basis points increase in short term interest rate.

This Week: Key Economic Data

Tuesday: Producer Price Index (PPI).

Wednesday: Retail Sales, Industrial Production, FOMC Minutes.

Thursday: Housing Starts, Jobless Claims.

Friday: Existing Home Sales, Index of Leading Economic Indicators.

Source: Econoday, February 11, 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

Tuesday: Zoetis, Inc. (ZTS), Devon Energy Corporation (DVN), Marriott International, Inc. (MAR), ViacomCBS, Inc. (VIAC).

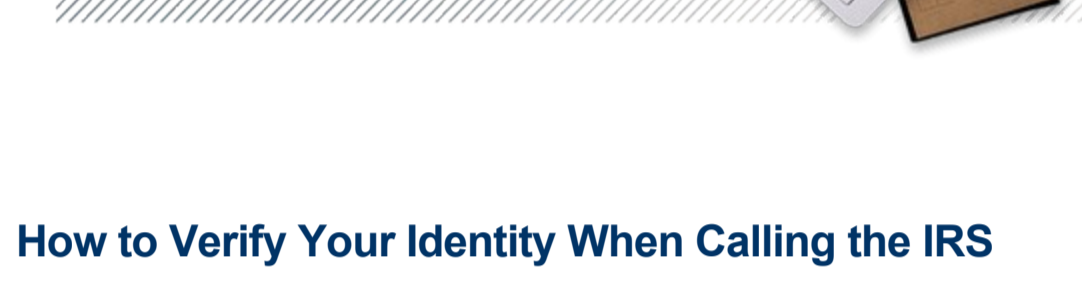
Wednesday: Nvidia Corporation (NVDA), Cisco Systems, Inc. (CSCO), Applied Materials, Inc. (AMAT), Shopify, Inc. (SHOP), DoorDash (DASH).

Thursday: Roku, Inc. (ROKU), Walmart, Inc. (WMT), The Southern Company (SO).

Friday: Deere & Company (DE).

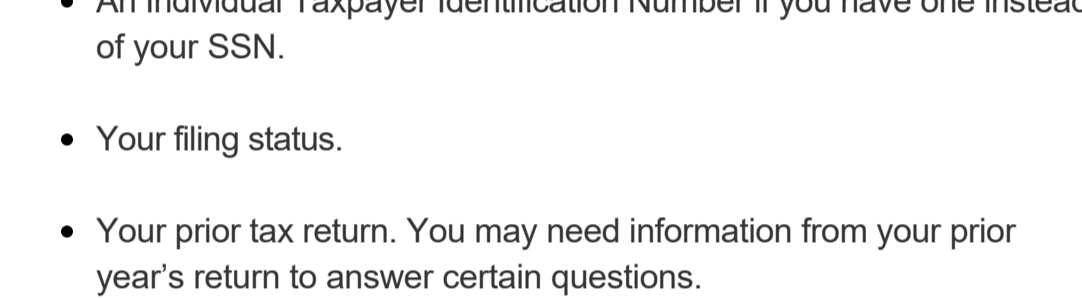
Source: Zacks, February 11, 2022

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"I imagine one of the reasons people cling to their hates so stubbornly is because they sense, once hate is gone, they will be forced to deal with pain."

— James Baldwin



How to Verify Your Identity When Calling the IRS

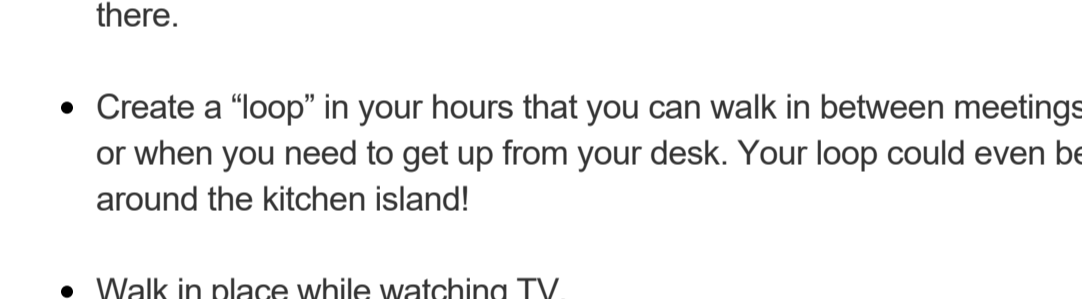
When calling the IRS, you can expect them to verify your identity before delving into personal information. Here's what you'll need to verify your identity:

- Social Security number.
- Birthdate.
- An Individual Taxpayer Identification Number if you have one instead of your SSN.
- Your filing status.
- Your prior tax return. You may need information from your prior year's return to answer certain questions.
- A copy of the tax return you're calling about.
- Any letters or notices you've received from the IRS.

Having all this information handy before you call the IRS will make the process faster because IRS phone operators will only speak with the taxpayer or a legally designated representative.

* 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.gov⁶



How to Get the Recommended 10,000 Steps a Day

Getting 10,000 steps in throughout the day (or moving at all!) might sound like an impossible goal, but there are a few small tweaks you can make throughout your day to get those feet moving. Here are a few ideas:

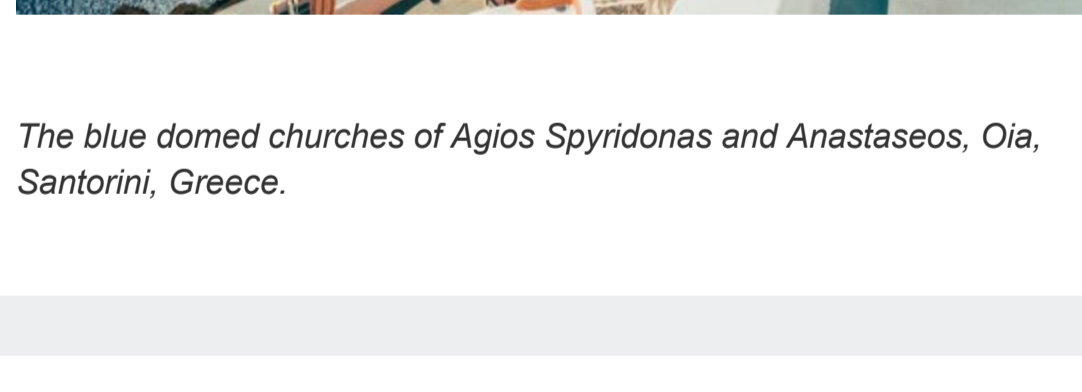
- When running errands, park your car further away and walk from there.
- Create a "loop" in your hours that you can walk in between meetings or when you need to get up from your desk. Your loop could even be around the kitchen island!
- Walk in place while watching TV.
- Listen to a great podcast or audiobook while you walk. It will make the time go by faster!

Tip adapted from Organizing Moms⁷



What is the smallest number of cars that can be driven down the road in this formation: two cars ahead of a car, two cars behind a car, and a car between two cars?

Last week's riddle: They never move, even when we walk on them, but signs and arrows may indicate that they go "up" and "down." What are they? Answer: Stairs.



The blue domed churches of Agios Spyridonas and Anastaseos, Oia, Santorini, Greece.

Footnotes and Sources

1. The Wall Street Journal, February 11, 2022
2. The Wall Street Journal, February 11, 2022
3. The Wall Street Journal, February 11, 2022
4. CNBC, February 10, 2022
5. CNBC, February 10, 2022
6. IRS.gov, September 1, 2021
7. OrganizingMoms.com, September 30, 2020

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.

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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.

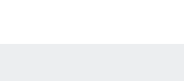
Please consult your financial professional for additional information.

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