

In a holiday-shortened trading week, stocks rallied despite mixed economic data and vacillating energy prices and bond yields.

The Dow Jones Industrial Average increased 0.77%, while the Standard & Poor's 500 rose 1.94%. The Nasdaq Composite index picked up 4.56% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, edged 0.46% higher.^{1,2,3}



Stocks Move Higher

In advance of Friday's much-anticipated employment report, stocks enjoyed successive daily gains despite ongoing concerns about a recession. Recession fears were supported by an inversion in the yield curve and updated second-quarter Gross Domestic Product projections indicating the economy is ready to contract.

Technology shares were the week's big winners as investors appear to have turned to companies with earnings growth potential during a weakening economic environment. Stocks bounced along the flatline following the strong jobs report on Friday to close out a positive week.

Employment's Mixed Signal

One of the holes in the "imminent-recession" narrative has been the labor market's strength. Historically, recessions have been preceded by or concurrently with a weakening jobs market.

Friday's employment report reflected a job market that continues to belie Wall Street's recession fears. Employers added 372,000 jobs in June, a number that was above economists' estimates of 250,000. Wage gains were robust (+5.1% year-over-year), though still below the inflation rate. The unemployment rate was unchanged at 3.6%.⁴

This Week: Key Economic Data

Wednesday: Consumer Price Index (CPI).

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

Friday: Retail Sales, Industrial Production, Consumer Sentiment.

Source: Econoday, July 8, 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

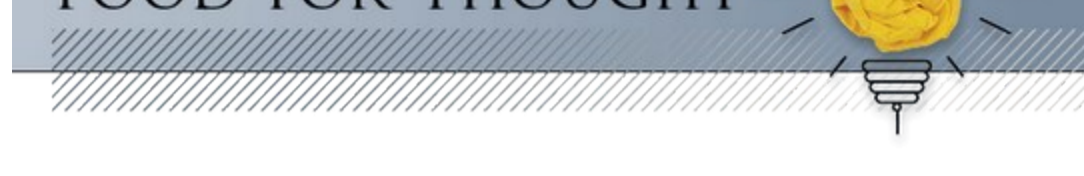
Wednesday: Delta Air Lines, Inc. (DAL).

Thursday: JPMorgan Chase & Co. (JPM), Morgan Stanley (MS), Conagra Brands (CAG).

Friday: UnitedHealth Group (UNH), Citigroup, Inc. (C), Wells Fargo & Company (WFC), BlackRock, Inc. (BLK), U.S. Bancorp (USB), The PNC Financial Services Group, Inc. (PNC).

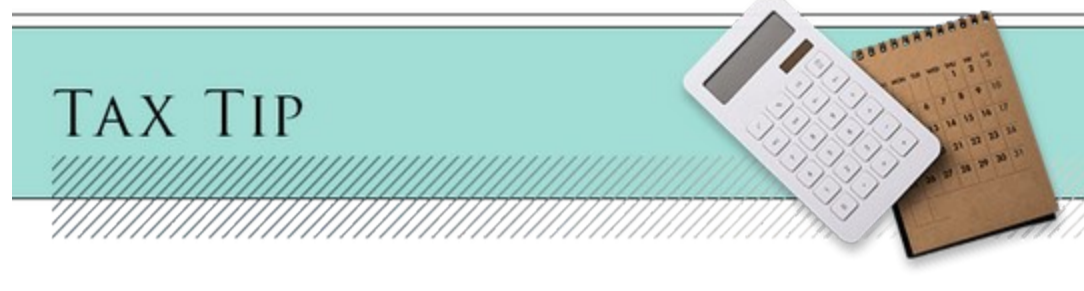
Source: Zacks, July 8, 2022

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"Alone we can do so little; together we can do so much."

— Helen Keller



The Small Business Health Care Tax Credit

In an effort to extend health care benefits to more people, the IRS introduced the small business healthcare tax credit. This credit may benefit employers that have fewer than 25 full-time equivalent employees, offer a qualified health plan through a Small Business Health Options Program Marketplace, and pay at least 50% of the cost of the employee-only health care coverage. There may also be some average wage requirements.

The maximum credit covers:

- 50% of premiums paid for small business employers
- 35% of premiums paid for small tax-exempt employers

The credit may also be available for two consecutive taxable years.

* 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.gov⁵



Games to Exercise Your Brain

Brain training is a great way to keep your mind sharp and these fun games are designed for people of all ages. Improve your mental fitness with games like:

- **Sudoku** - This strategy game requires you to find the correct order of numbers 1-9 in a 3x3 grid. There can only be one of each number in each row and column.
- **Crossword Puzzles** - Find the correct word for each clue. The words intersect and share letters, so you have to make sure you have the right word, otherwise the puzzle won't fit!
- **Peak** - Peak is a brain training app that you can play on your phone or tablet. It has a number of different games designed to improve cognitive function and problem-solving.

Tip adapted from Very Well Mind⁶



Two in every corner, one in every room, none in a house. What is it?

Last week's riddle: In a drawer are six pairs of red socks, four pairs of white socks and five pairs of blue socks. In total darkness, how many socks would you have to grab to be certain you had a matching pair? Riddle answer: Four socks. Four is the maximum number you'd need to pull to ensure you had at least two socks that matched. (Don't believe it? Give it a try!)



Burano island, Venetian Lagoon, northern Italy

Footnotes and Sources

1. The Wall Street Journal, July 8, 2022
2. The Wall Street Journal, July 8, 2022
3. The Wall Street Journal, July 8, 2022

4. CNBC, July 8, 2022

5. IRS.gov, July 30, 2021

6. verywellmind.com, August 6, 2021

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The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

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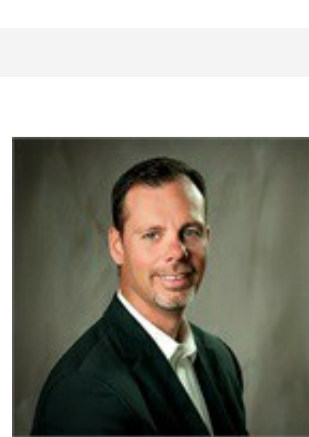
International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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