

A comprehensive sell-off on Friday following comments by Fed Chair Jerome Powell drove stocks to losses for the week.

The Dow Jones Industrial Average tumbled 4.22%, while the Standard & Poor's 500 dropped 4.04%. The Nasdaq Composite index fell 4.44% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, lost 1.10%.<sup>1,2,3</sup>



## Under Pressure

Stocks dropped on Friday following Powell's remarks reiterating the Fed's inflation-fighting resolve. While his comments did not break new ground, markets reacted severely, perhaps on worries that interest rate hikes may continue into next year.

After starting the week sharply lower on renewed rising interest rates and economic slowdown fears, markets staged a modest turnaround beginning mid-week. Stocks rallied on Thursday, sparked by a revised Gross Domestic Product estimate showing the economy's shrinking less than initially estimated. Thursday's rally also got a boost from regional Federal Reserve Bank presidents, who suggested future rate hikes may be in line with market expectations.

## Powell at Jackson Hole

In his much-anticipated speech at the Jackson Hole Economic Symposium, Powell unflinchingly reaffirmed the Fed's commitment to raising rates to lower inflation, even if it results in causing pain to individuals and businesses.

Wall Street focused on Powell's presentation in the hope it might provide greater clarity on future Fed direction, though his remarks ultimately went no further than restating past communications. Powell commented, "We are moving our policy stance purposefully to a level that will be sufficiently restrictive to return inflation to two percent." This statement may have put to rest any thoughts that the Fed would soon pivot on rate hikes.<sup>4</sup>

## This Week: Key Economic Data

**Tuesday:** Consumer Confidence. Job Openings and Turnover Survey (JOLTS).

**Wednesday:** Automated Data Processing (ADP) Employment Report.

**Thursday:** Jobless Claims. Institute for Supply Management (ISM) Manufacturing Index.

**Friday:** Employment Situation. Factory Orders.

Source: Econoday, August 26, 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:** Best Buy Co., Inc. (BBY), HP, Inc. (HPQ).

**Thursday:** Broadcom, Inc. (AVGO), Hormel Foods Corporation (HRL).

Source: Zacks, August 26, 2022

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. 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. Companies may reschedule when they report earnings without notice.

## FOOD FOR THOUGHT

*"The road less traveled is sometimes fraught with barricades, bumps, and uncharted terrain. But it is on that road where your character is truly tested."*

— **Katie Couric**

## TAX TIP

## How to Check the Status of Your Federal Tax Refund

Filing taxes has become more seamless in recent years due to e-filing. It's also easy to check the status of your refund if you anticipate one. The IRS has a tool called Where's My Refund? where taxpayers can check the status of their refund within 24 hours of the IRS acknowledging the taxpayer's e-filed return. You can also see a personalized refund date after the return is processed.

You can access the tool online on the IRS website or via their app. You will see three phases: return received, refund approved, and refund sent. The IRS recommends setting up direct deposit to receive your refund even faster. They update the tool once a day.

\* 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.gov<sup>5</sup>

## HEALTHY LIVING TIP

## Channel Your Inner Cat and Cow

The cat-cow stretch is fantastic for your back, pelvis, neck, and more. Plus, it's simple to learn and simple to do!

First, start on the floor on all fours. Your hands should be shoulder-width apart, and your knees should be hip-width apart. You can do the cat-cow stretch on a mat or carpeted floor.

Next, inhale a deep breath, arch your back, tilt your pelvis downward, and look to the ceiling. Don't force your neck too far up.

Then, exhale a big breath and curve your back (like a scary Halloween cat). Tuck your chin into your chest and pull your pelvis up as you curve your back.

The goal is to move through these movements with your breath.

Tip adapted from Very Well Fit<sup>6</sup>

## WEEKLY RIDDLE

What can run but never walks, has a mouth but never eats, has a head but never thinks, and has a bed but never sleeps?

*Last week's riddle: I am in the center of gravity, and part of every victory. I am clearly seen in the midst of a river. I could name three who are in love with me and have three associates in vice. What am I? Riddle answer: The letter "V."*

## PHOTO OF THE WEEK



The Fishing Village of Henningsvær, Norway

## Footnotes and Sources

1. The Wall Street Journal, August 26, 2022
2. The Wall Street Journal, August 26, 2022
3. The Wall Street Journal, August 26, 2022
4. The Wall Street Journal, August 26, 2022
5. IRS.gov, April 19, 2022
6. VeryWellFit.com, May 26, 2022

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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.

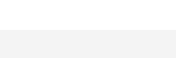
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