

A positive start to a new earnings season and late-week hopes for a near-term easing in Fed rate hikes lifted investors' spirits and powered stocks to gains for the week.

The Dow Jones Industrial Average jumped 4.89%, while the Standard & Poor's 500 advanced 4.74%. The Nasdaq Composite index added 5.22% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, gained 1.66%.^{1,2,3}



Earnings, Fed Spark Rally

The stock market narrative shifted last week from Fed interest rate hikes (a persistent drag on investor sentiment) to corporate earnings, which boosted investor enthusiasm with better-than-expected results. Stocks surged in the first two days of trading on the strength of positive earnings surprises, aided by a modest pullback in bond yields and news that the U.K. was scrapping its tax cut plans.

Mid-week, stocks surrendered some gains on a stronger U.S. dollar and rising bond yields. But on Friday, comments by a Fed official that hinted at a possible relaxation in Fed rate hikes sent stocks soaring to close out a good week.

Better Than Expected

Investors were approaching the new earnings season with a fair amount of trepidation amid an environment of higher interest rates and a slowing economy. The concern has been that poor earnings may drag stock prices lower from current levels.

Early earnings results have provided investors with mostly positive surprises. With 88 companies comprising the S&P 500 index reporting, 75% reported profits above analysts' expectations, well above the 66% long-term average.⁴

This Week: Key Economic Data

Monday: Purchasing Managers' Index (PMI) Composite.

Tuesday: Consumer Confidence.

Wednesday: New Home Sales.

Thursday: Jobless Claims, Durable Goods Sales, Gross Domestic Product (GDP).

Source: Econoday, October 21, 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: Microsoft Corporation (MSFT), General Electric Company (GE), Visa, Inc. (V), Alphabet, Inc. (GOOGL), General Motors Company (GM), The Coca-Cola Company (KO), Archer Daniels Midland Company (ADM), 3M Company (MMM), Texas Instruments, Inc. (TXN), United Parcel Service, Inc. (UPS), KimberlyClark Corporation (KMB).

Wednesday: The Boeing Company (BA), Ford Motor Company (F), Bristol Myers Squibb Company (BMY), ServiceNow, Inc. (NOW), General Dynamics Corporation (GD), Norfolk Southern Corporation (NSC).

Thursday: Apple, Inc. (AAPL), Amazon.com, Inc. (AMZN), Intel Corporation (INTC), Mastercard, Inc. (MA), Caterpillar, Inc. (CAT), Merck & Co., Inc. (MRK), McDonald's Corporation (MCD), Northrop Grumman Corporation (NOC), Comcast Corporation (CMCSA), Southwest Airlines Company (LUV).

Friday: AbbVie, Inc. (ABBV), Exxon Mobil Corporation (XOM), Chevron Corporations (CVX), ColgatePalmolive Company (CL).

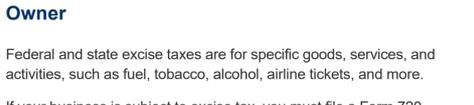
Source: Zacks, October 21, 2022

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.



"Judge each day not by the harvest you reap but by the seeds you plant."

— Robert Louis Stevenson



What to Know About Excise Tax as a Business Owner

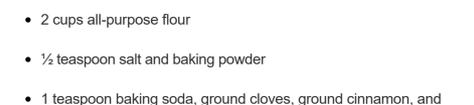
Federal and state excise taxes are for specific goods, services, and activities, such as fuel, tobacco, alcohol, airline tickets, and more.

If your business is subject to excise tax, you must file a Form 720, Quarterly Excise Tax Return, to report the tax. You must also file this form every quarter. The due dates as of 2022 are April 30 for Q1, July 31 for Q2, October 31 for Q3, and January 31 for Q4.

You can electronically file Form 720. Each industry may have its forms (ex: Form 2290, Heavy Highway Vehicle Use Tax).

* 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



Pumpkin Bread

You can't have fall without pumpkins, and this pumpkin bread recipe is the perfect way to enjoy the seasonal fruit.

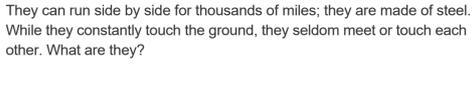
Ingredients:

- 2 cups all-purpose flour
- ½ teaspoon salt and baking powder
- 1 teaspoon baking soda, ground cloves, ground cinnamon, and ground nutmeg
- 1½ sticks (¾ cup) unsalted butter, softened
- 2 cups sugar
- 2 large eggs
- 1 15-oz can pumpkin

Directions:

- Preheat the oven to 325°
- In a medium bowl, combine the flour, salt, baking soda, baking powder, cloves, cinnamon, and nutmeg. Whisk until well combined; set aside.
- With an electric mixer, beat the butter and sugar on medium speed until just blended.
- Add the eggs one at a time, beating well after each addition. It's okay if the mixture is grainy.
- Add the flour mixture and mix on low speed until combined.
- Pour the batter into greased 8x4" loaf pans and bake for 65-75 minutes. Let cool for 10 minutes.

Tip adapted from Once Upon a Chef⁶



They can run side by side for thousands of miles; they are made of steel. While they constantly touch the ground, they seldom meet or touch each other. What are they?

Last week's riddle: They are sometimes stomped on, yet they can also be very tasty and sweet. What are they? Answer: Grapes.



Sally Lightfoot Crab, Grapsus grapsus, one of the most common crabs in the U.S.

Footnotes and Sources

1. The Wall Street Journal, October 21, 2022
2. The Wall Street Journal, October 21, 2022
3. The Wall Street Journal, October 21, 2022
4. Refinitiv, October 20, 2022
5. IRS.gov, August 1, 2022
6. Once Upon a Chef, August 4, 2022

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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.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

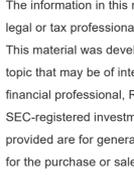
International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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