

In a volatile trading week, stocks extended their losses as economic growth and inflation concerns soured investor sentiment.

The Dow Jones Industrial Average dropped 2.14%, while the Standard & Poor's 500 lost 2.41%. The Nasdaq Composite index fell 2.80% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, slumped 3.21%.<sup>1,2,3</sup>



### A Turbulent Week

Inflation moved to center stage last week with the release of April's Consumer Price Index (CPI) and the Producer Price Index. Both numbers came near their 40-year highs but were lower than March's year-over-year numbers. The results heightened investor anxiety about future Fed monetary tightening and its impact on economic growth.

In recent weeks, technology stocks have borne the brunt of the downdraft as investors lightened up on risk exposures, with some of the mega-cap tech names getting swept up in the selling pressure. Cooling import price increases buoyed spirits on Friday, helping spark a rally that reduced the week's losses.

### Inflation Stays Hot

Investors were greeted with a mixed CPI report, looking for signs that inflation may be cooling. Year-over-year costs rose 8.3%, slower than the previous month but faster than consensus estimates. Excluding food and energy, core inflation climbed 6.2%. Buried beneath the headline number was a 5.1% yearly increase in shelter costs, the most significant increase since 1991. Shelter costs account for one-third of the CPI.<sup>4</sup>

Inflation has been a weight on markets all year. Investors are concerned that the persistence of higher prices may tip the economy into recession as increased spending on essential needs crimps consumers' spending power.

### This Week: Key Economic Data

**Tuesday:** Retail Sales. Industrial Production.

**Wednesday:** Housing Starts.

**Thursday:** Existing Home Sales. Jobless Claims. Index of Leading Economic Indicators.

Source: Econoday, May 13, 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:** Walmart, Inc. (WMT), The Home Depot, Inc. (HD).

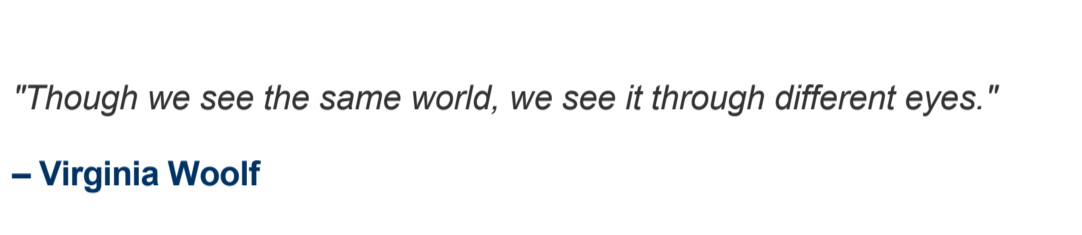
**Wednesday:** Cisco Systems, Inc. (CSCO), Target Corporation (TGT), Lowe's Companies, Inc. (LOW), The TJX Companies, Inc. (TJX), Analog Devices, Inc. (ADI).

**Thursday:** Applied Materials, Inc. (AMAT), Palo Alto Networks, Inc. (PANW), Ross Stores, Inc. (ROST).

**Friday:** Deere & Company (DE).

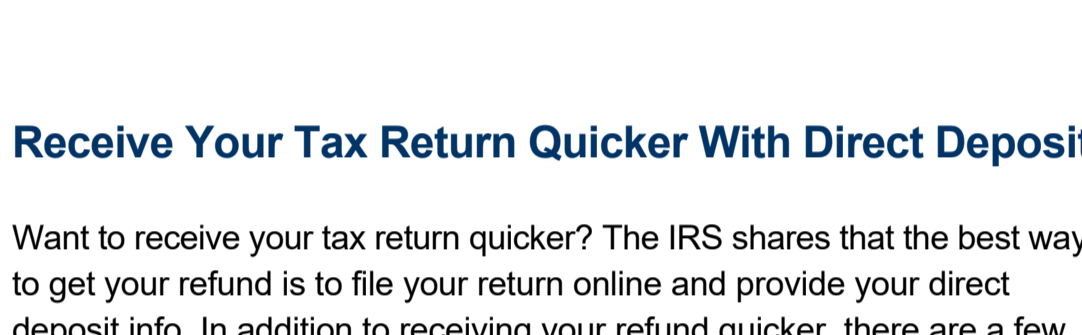
Source: Zacks, May 13, 2022

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*"Though we see the same world, we see it through different eyes."*

– Virginia Woolf



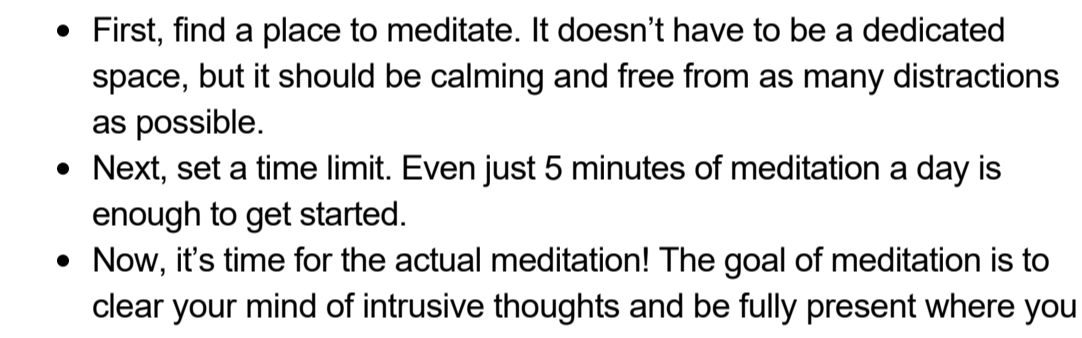
### Receive Your Tax Return Quicker With Direct Deposit

Want to receive your tax return quicker? The IRS shares that the best way to get your refund is to file your return online and provide your direct deposit info. In addition to receiving your refund quicker, there are a few other benefits of using direct deposit.

One benefit is splitting your refund into several financial accounts through direct deposit, including checking, savings, health and education, and certain retirement accounts. Using direct deposit is also fast, secure, and accessible. To sign up for a direct deposit, you need to provide your bank account number and routing number. Taxpayers should have this information available when ready to file because the IRS can't accept this information after filing a return.

\* 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>

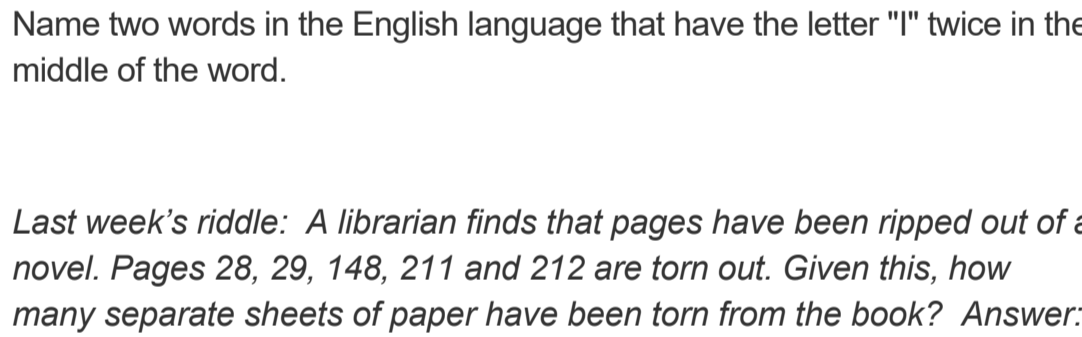


### How to Start a Meditation Practice

If you're interested in starting a meditation practice, the good news is that you don't need much to get started. Here are some tips:

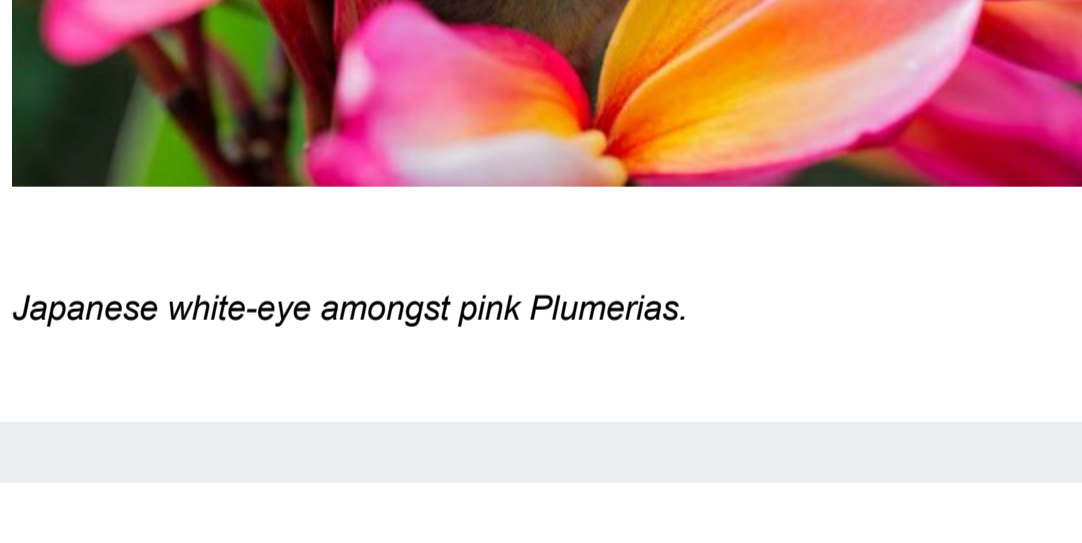
- First, find a place to meditate. It doesn't have to be a dedicated space, but it should be calming and free from as many distractions as possible.
- Next, set a time limit. Even just 5 minutes of meditation a day is enough to get started.
- Now, it's time for the actual meditation! The goal of meditation is to clear your mind of intrusive thoughts and be fully present where you are. Don't focus on not thinking about anything at all. Instead, watch your thoughts float by as you stay centered in your breath.
- If your mind wanders, it's okay! Gently bring it back to the present and focus on your breath or something around you.

Tip adapted from Mindful<sup>6</sup>



Name two words in the English language that have the letter "l" twice in the middle of the word.

*Last week's riddle: A librarian finds that pages have been ripped out of a novel. Pages 28, 29, 148, 211 and 212 are torn out. Given this, how many separate sheets of paper have been torn from the book? Answer: 4 sheets of paper. Pages 211 and 212 will be on opposite sides of the same sheet of paper.*



Japanese white-eye amongst pink Plumerias.

### Footnotes and Sources

1. The Wall Street Journal, May 13, 2022
2. The Wall Street Journal, May 13, 2022
3. The Wall Street Journal, May 13, 2022
4. CNBC, May 11, 2022
5. IRS.gov, February 16, 2021
6. mindful.org, February 22, 2022

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 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.

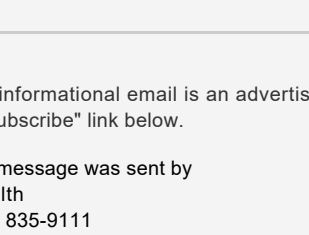
U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in 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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