

A higher-than-expected inflation report triggered a sell-off on Friday, leaving stocks in the red for the week.

The Dow Jones Industrial Average lost 4.58%, while the Standard & Poor's 500 dropped 5.05%. The Nasdaq Composite index slid 5.60% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, declined 1.81%.^{1,2,3}



Inflation Upends Stocks

Stocks gyrated between gains and losses last week until sliding lower on Friday's hot inflation report, which heightened worries over a more aggressive Fed and a further economic slowdown. Stocks moved higher to begin the week, despite rising bond yields, a profit warning from a major retailer, and Senate testimony by Secretary of Treasury Janet Yellen, who said that inflation was likely to remain elevated.

Stocks turned lower later in the week on renewed concerns of an economic slowdown, sparked by a downward revision in The Federal Reserve-Atlanta's real-time estimate of second-quarter GDP growth and a drop in new mortgage applications. Investors lightening up on stocks ahead of Friday's inflation report may have also contributed to Thursday's selling.

Inside Inflation

Consumer prices rose 8.6% year-over-year in May, marking the highest rate since December 1981. Price increases over the last 12 months were driven by a 34.6% jump in energy prices and by food costs, which climbed 10.1%. Used car and truck prices, which had seen three straight months of declines, rose 1.8% from April, while airfares soared 12.6% in May.⁴

May's inflation exceeded economists' forecasts and dashed the hopes that inflation had plateaued. In a separate economic report on Friday, real wages (net of inflation) fell 0.6% in April and were lower by 3% from 12 months ago.⁵

This Week: Key Economic Data

Tuesday: Producer Price Index.

Wednesday: Retail Sales. FOMC Announcement.

Thursday: Jobless Claims. Housing Starts.

Friday: Industrial Production. Index of Leading Economic Indicators.

Source: Econoday, June 10, 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

Thursday: Adobe, Inc. (ADBE), The Kroger Co. (KR).

Source: Zacks, June 10, 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.



"To look back is to relax one's vigil."

– **Bette Davis**



A Checklist of Common Errors When Preparing Your Tax Return

Properly preparing your tax return can be tricky, but here are some tips to help you avoid common errors:

- Submitting your tax return online ensures greater accuracy than mailing it in. The e-file system can detect common errors and send your filing back to you for you to correct, saving you a ton of time in processing and delays.
- Make sure to clearly print or type your full name, taxpayer identification number or SSN, and current address (including zip code).
- Choose only one correct filing status.
- Enter your income on the correct lines and include a Form 1040 to declare additional income and adjustments as needed.
- Put brackets around negative amounts.
- Keep a copy of the signed return and schedules for your records.

* 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



What is Mindfulness?

You may have heard various definitions of mindfulness here and there or have your own ideas about what it is. Do you completely clear your mind? Is there more to it?

Interestingly, mindfulness is as simple as it sounds. It refers to the state of being fully present in where you are and what you're doing. You can practice mindfulness as you're driving, as you're walking your dog, or as you're playing with your children. It's practicing being in the here and now and not letting your mind take you out of the present moment. These obsessive thoughts can lead to anxiety and stress.

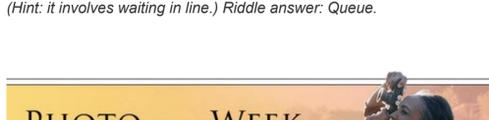
To practice mindfulness, take a simple activity, like drinking your cup of coffee, and think about every sensation you're experiencing. It takes practice but is worth it to improve your mental strength!

Tip adapted from Mindful⁷



What surrounds everyone and is the end of time and space?

Last week's riddle: There is a 5-letter, single-syllable word that you can take 4 letters out of, leaving you with only a single letter that has the same pronunciation as the original 5-letter word. What is this word? (Hint: it involves waiting in line.) Riddle answer: Queue.



Cheetah gazing into the distance, Namibia, Africa

Footnotes and Sources

1. The Wall Street Journal, June 10, 2022

2. The Wall Street Journal, June 10, 2022

3. The Wall Street Journal, June 10, 2022

4. CNBC, June 10, 2022

5. CNBC, June 10, 2022

6. IRS.gov, January 3, 2021

7. Mindful.org, July 8, 2020

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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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