

Undaunted by another Fed rate hike and news of a contracting economy, the stock market rallied last week on better-than-expected corporate earnings. The Dow Jones Industrial Average increased 2.97%, while the Standard &

Poor's 500 picked up 4.26%. The Nasdaq Composite index gained 4.70% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, rose 0.95%. 1,2,3



It was an inauspicious start to the week after a big-box retailer missed earnings and reduced forward guidance on Tuesday, sparking a broad market retreat.

Stocks Rally on Earnings

But sentiment improved following mega-cap technology company earnings that proved better than expected. Enthusiasm gathered steam in the wake of the Fed's 0.75% rate hike, boosted by Fed Chair Powell's comments

following Wednesday's Federal Open Market Committee meeting. Powell

indicated that it might become appropriate to slow the pace of future hikes, and he didn't believe the economy had entered into recession. Stocks on Thursday shrugged off news of a second-consecutive quarter of negative economic growth to build on Wednesday's gains as fresh earnings continued to comfort, if not impress, investors.⁴ **Economy Contracts** The U.S. economy shrank at an annualized rate of 0.9% in the second quarter as consumers pulled back on spending and businesses worked to reduce inventories. It was the second-consecutive quarter of negative

economic growth, meeting the technical definition of a recession. Unlike

past recessions, hiring has been strong all year, with the unemployment rate near historic lows.⁵

The economic slowdown was attributable primarily to decreases in inventories, a deceleration in the housing market, and lower government spending. Consumer spending increased a tepid one percent, well below the inflation rate during the same period.⁶ This Week: Key Economic Data

Monday: Institute for Supply Management (ISM) Manufacturing Index. **Tuesday:** Job Openings and Labor Turnover Survey (JOLTS). **Wednesday:** Automated Data Processing (ADP) Employment Report. Institute for Supply Management (ISM) Services Index. Factory Orders.

Thursday: Jobless Claims.

are subject to revision.

(K).

notice.

- Steve Jobs

Friday: Employment Situation.

(including key economic indicators), Federal Reserve policy meetings, and speaking

engagements of Federal Reserve officials. The content is developed from sources

statements are based on assumptions and may not materialize. The forecasts also

believed to be providing accurate information. The forecasts or forward-looking

Source: Econoday, July 29, 2022 The Econoday economic calendar lists upcoming U.S. economic data releases

This Week: Companies Reporting Earnings **Tuesday:** Advanced Micro Devices, Inc. (AMD), PayPal Holdings, Inc. (PYPL), Caterpillar, Inc. (CAT), Prudential Financial, Inc. (PRU), Starbucks Corporation (SBUX), Marathon Petroleum Corporation (MPC), Marriott International, Inc. (MAR).

Wednesday: CVS Health Corporation (CVS), Fortinet, Inc. (FTNT), PPL

Thursday: Block, Inc. (SQ), Twilio, Inc. (TWLO), Amgen, Inc. (AMGN), Eli Lilly and Company (LLY), ConocoPhillips (COP), Air Products and Chemicals, Inc. (APD), Albemarle Corporation (ALB), Kellogg Company

Corporation (PPL), Booking Holdings, Inc. (BKNG), Occidental Petroleum Corporation (OXY), Regeneron Pharmaceuticals, Inc. (REGN).

Friday: Berkshire Hathaway, Inc. (BRK.A). Source: Zacks, July 29, 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

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

risks, and investment decisions should be based on your own goals, time horizon, and

"Innovation is saying 'no' to 1,000 things."

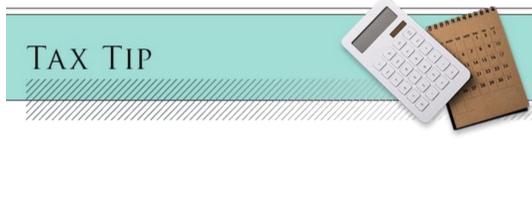
FOOD FOR THOUGHT

Opportunity Tax Credit

targeted groups in total.

Safety Tips

out.



The work opportunity tax credit is a federal tax credit for business owners that have hired individuals from target groups that would have otherwise faced significant barriers when looking for a job. Some target groups

include summer youth employees, those receiving Supplemental Security Income, or qualified long-term unemployment recipients. There are ten

The work opportunity tax credit equals 40% of up to \$6,000 wages paid or incurred with a maximum credit of \$2,400. The WOTC may consider up to

Don't Forget to Take Advantage of the Work

\$24,000 in wages for certain qualified veteran targeted groups. There are some restrictions on the IRS' site. * This information is not intended to be a substitute for specific,

issues with a qualified tax professional.

Tip adapted from IRS.gov⁷ HEAITHY LIVING

individualized tax advice. We suggest that you discuss your specific tax

don't know how to stay safe. Here are some tips to help you and your family stay safe in the water this summer: Only swim in the designated swimming area. Take note of flags and buoys that mark where you can and can't swim.

 When in doubt, get out! If something doesn't feel suitable, such as a current picking up, it's better to err on the side of caution and get

Know the conditions before you swim. The more you know about

Stay Safe This Summer With These Open Water

Summer is the perfect time to spend at the beach, lake, or river. But

unfortunately, these natural bodies of water can also be hazardous if you

WEEKLY RID

A rain gauge collects rainfall each day of a wet week beginning on

Last week's riddle: I can't be seen, but I'm all around. I have no mouth, yet can make a sound. I can be harnessed, but never bound. No hands have I, yet I move the ground. What am I? Riddle answer: Wind.

PHOTO OF THE WEEK

Monday. Every day, the amount of rain in the gauge doubles. At Sunday's end, the rain gauge is completely filled. So on which day is it half-filled?

Village of Hope, Hope Valley, Derbyshire, United Kingdom

Footnotes and Sources

1. The Wall Street Journal, July 29, 2022

2. The Wall Street Journal, July 29, 2022

3. The Wall Street Journal, July 29, 2022

4. The Wall Street Journal, July 27, 2022

be worth more or less than their original cost.

performance does not guarantee future results.

market in general.

5. CNBC, July 28, 2022

6. CNBC, July 28, 2022

7. IRS.gov, May 5, 2022

8. NDPA.org, May 26, 2022 Investing involves risks, and investment decisions should be based on your own

investments will fluctuate as market conditions change. When sold, investments may

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

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

Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an

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

unmanaged group of securities that are considered to be representative of the stock

goals, time horizon, and tolerance for risk. The return and principal value of

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

U.S. Treasury Notes are guaranteed by the federal government as to the timely

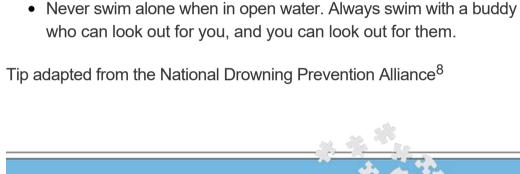
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water levels, temperature, and current, the better.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice. The market indexes discussed are unmanaged, and generally, considered

The Dow Jones Industrial Average is an unmanaged index that is generally

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.

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