

July 31, 2023

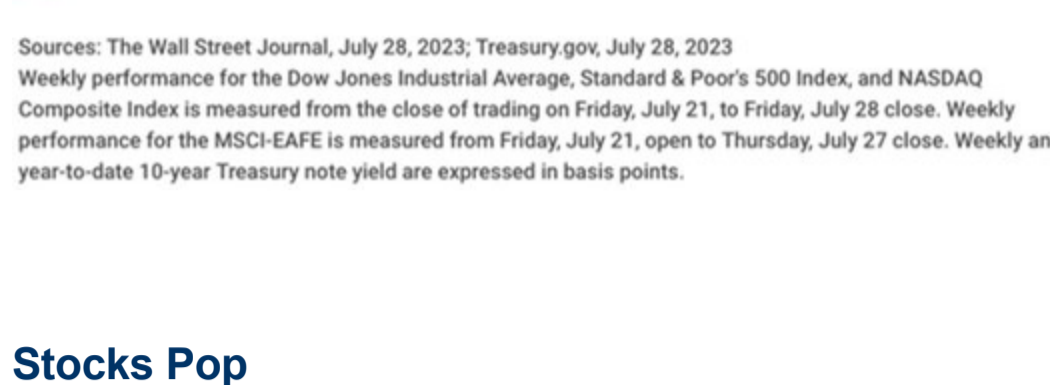
A Friday surge pushed stocks solidly into positive territory last week, ignited by cooling in an inflation gauge closely tracked by the Federal Reserve.

The Dow Jones Industrial Average advanced 0.66%, while the Standard & Poor's 500 climbed 1.01%. The Nasdaq Composite index rose 2.02% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, gained 0.74%.^{1,2,3}

MARKET INSIGHTS



Market Index	Close	Week	Y-T-D
DJIA	35,459.29	+0.66%	+6.98%
NASDAQ	14,316.66	+2.02%	+36.79%
MSCI-EAFE	2,192.76	+0.74%	+12.80%
S&P 500	4,582.23	+1.01%	+19.34%



Treasury	Close	Week	Y-T-D
10-Year Note	3.96%	+0.12%	+0.08%

Sources: The Wall Street Journal, July 28, 2023; Treasury.gov, July 28, 2023
Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, July 21, to Friday, July 28 close. Weekly performance for the MSCI-EAFE is measured from Friday, July 21, open to Thursday, July 27 close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Stocks Pop

Stocks were flat for much of last week amid a batch of new earnings, a 0.25% interest rate hike, and strong economic data. After beginning with gains, stocks lost momentum following the Fed's expected rate-hike announcement on Wednesday. A bounce on Thursday sparked by a positive mega-cap tech company earnings reversed after bond yields increased.

Stocks recovered strongly Friday on the release of the personal consumption expenditures price index, which fell to its lowest level in two years.⁴

Much of the market action was related to earnings results. With 44% of S&P 500 companies reporting, 78% have exceeded Wall Street forecasts.⁵

Recession Deferred

Expectations of a recession were high coming into 2023. Last week may have erased this recession narrative overhang.

Second-quarter gross domestic product (GDP) data released last week was one big reason why. Economic activity expanded by 2.4%, which was above the forecast of two percent and represented an acceleration from its first quarter GDP of 2.0%. Consumer spending was a major driver of that expansion, rising 1.6%.⁶

Joining the recession-deferred camp this week was Fed Chair Powell, who stated that the Fed was no longer forecasting a recession.

This Week: Key Economic Data

Tuesday: Institute for Supply Management (ISM) Manufacturing Index. Job Openings and Labor Turnover Survey (JOLTS).

Wednesday: Automated Data Processing (ADP) Employment Report.

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

Friday: Employment Situation.

Source: Econoday, July 28, 2023
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

Monday: Arista Networks, Inc. (ANET), ON Semiconductor Corporation (ON)

Tuesday: Advanced Micro Devices, Inc. (AMD), Pfizer, Inc. (PFE), Caterpillar, Inc. (CAT), Starbucks Corporation (SBUX), Merck & Co., Inc. (MRK), Prudential Financial, Inc. (PRU), Rockwell Automation, Inc. (ROK)

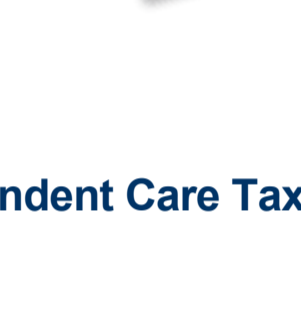
Wednesday: CVS Health Corporation (CVS), Qualcomm, Inc. (QCOM), PayPal Holdings, Inc. (PYPL), Shopify, Inc. (SHOP), Albemarle Corporation (ALB), Emerson Electric Co. (EMR), Humana, Inc. (HUM)

Thursday: Apple, Inc. (AAPL), Block, Inc. (SQ), Gilead Sciences, Inc. (GILD), Amgen, Inc. (AMGN), Cigna Group (CI), Occidental Petroleum Corporation (OXY), Fortinet, Inc. (FTNT), ConocoPhillips (COP), Booking Holdings, Inc. (BKG), Regeneron Pharmaceuticals, Inc. (REGN)

Friday: EOG Resources, Inc. (EOG)

Source: Zacks, July 28, 2023
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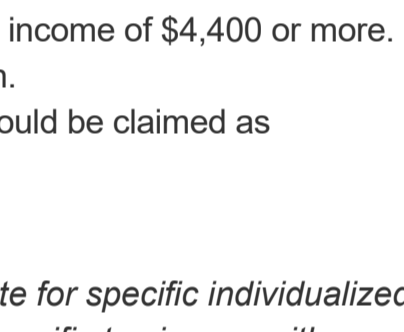
FOOD FOR THOUGHT



"I have found the paradox that if I love until it hurts, then there is no hurt, but only more love."

— Mother Teresa

TAX TIP



Who Qualifies for the Child and Dependent Care Tax Credit?

Let's outline who the Internal Revenue Service (IRS) defines as a qualifying person under this care credit:

- A taxpayer's dependent who is under the age of 13 when the care is provided.
- A taxpayer's spouse who cannot care for themselves has lived with the taxpayer for more than half the year.

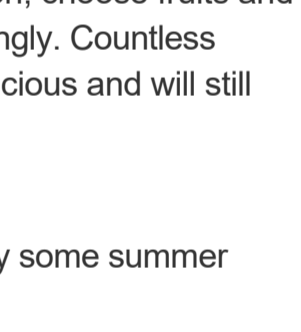
In addition to spouses and dependents, the credit may also cover someone who is mentally or physically unable to care for themselves and lives with the taxpayer for six months. This is the case if that person was the taxpayer's dependent or if they would have been the taxpayer's dependent except for one of the following:

- The qualifying person received a gross income of \$4,400 or more.
- The qualifying person filed a joint return.
- If filing jointly, the taxpayer or spouse could be claimed as dependent on someone else's return.

**This information is not intended to substitute for specific individualized tax advice. We suggest you discuss your specific tax issues with a qualified tax professional.*

Tip adapted from IRS.gov⁷

HEALTHY LIVING TIP



Healthy Summer Tips

Staying healthy this summer will help you enjoy the season even more. Here are some of our favorite healthy summer tips:

- Stay safe in the sun, and always wear sunscreen. Use an SPF 30 or above with both UVA and UVB protection. If possible, hang out in shaded areas.
- Challenge your family and friends to some healthy competition, like a game of capture the flag, a scavenger hunt, volleyball, flag football, or dodgeball.
- Eat smart by indulging in a few of your favorite foods but still making healthy choices. Swap red meat out for chicken, choose fruits and veggies instead of chips, and eat sweets sparingly. Countless healthy barbecue and cookout recipes are delicious and will still satisfy that summer picnic spirit.

So what are you waiting for? Get out there and enjoy some summer swimming, games, or your favorite healthy snacks.

Tip adapted Prevent Cancer Foundation⁸

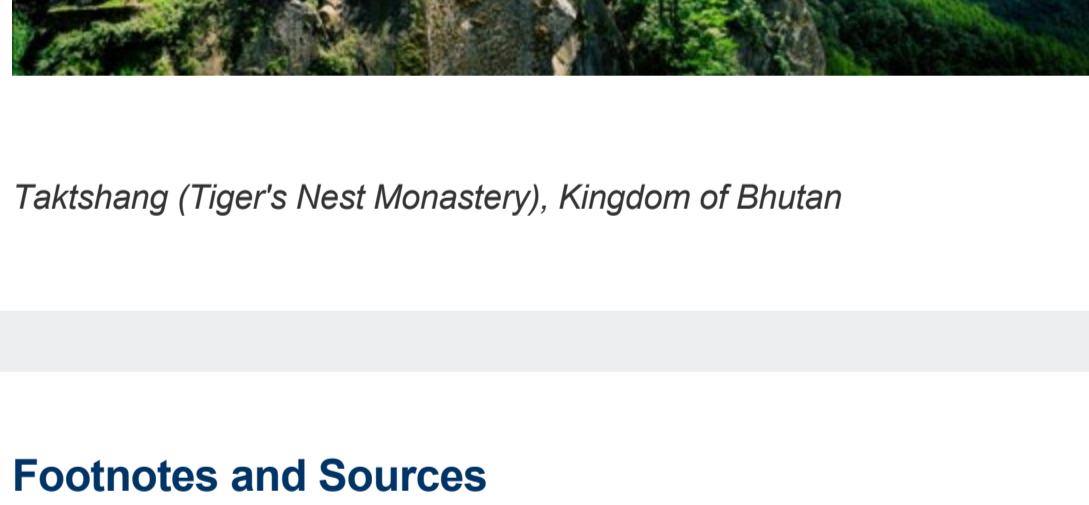
WEEKLY RIDDLE



This word signifies a gap between hills or mountain ranges. Yet remove just one letter, and it signifies a gap between buildings. What is this six-letter word?

Last week's riddle: Sometimes you pass me slowly, yet other times I fly by. Sometimes I slip away. Regardless of how slow or fast I am, one thing's certain: when I'm gone, I'm gone for good. So what am I? Answer: Time.

PHOTO OF THE WEEK



Takshang (Tiger's Nest Monastery), Kingdom of Bhutan

Footnotes and Sources

1. The Wall Street Journal, July 28, 2023.
2. The Wall Street Journal, July 28, 2023.
3. The Wall Street Journal, July 28, 2023.
4. CNBC, July 28, 2023.
5. CNBC, July 27, 2023.
6. CNBC, July 27, 2023.
7. IRS.gov, May 1, 2023
8. Prevent Cancer Foundation, April 24, 2023

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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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