

DATE: March 13, 2023



## TALKING POINTS: *This week's conversation starters for advisors to educate and inform your clients*

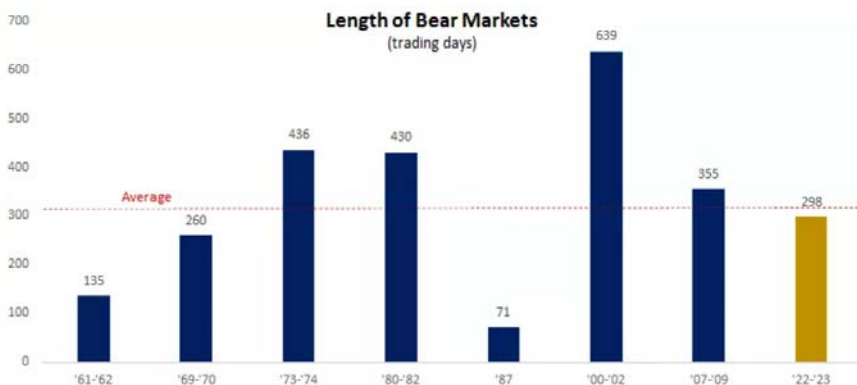
### Market News

- Equities fell sharply last week as investors digested more conversation from the Fed, hotter than expected labor market reports, and concerns arising from regional banks. The S&P experienced a drop to its lowest intraday levels since early January, dropping below both its 100 and 200-day moving averages.
- Financials led last week's declines within the S&P 500 sectors after Silicon Valley Bank collapsed on Friday, marking the second-largest bank failure in the history of the United States. Stocks of other regional banks fell in response as well, although not as extreme. Ultimately, financials finished -8.5% lower for the week.
- Jerome Powell testified before Congress, stating that the Fed is prepared to accelerate their tightening pace, and are prepared to raise rates higher than anticipated if inflation continues on its resilient trajectory.
- The 2-Year US Treasury yield rose above 5% for the first time since 2007, but ultimately fell to 4.60% for the week, modestly lower week-over-week.
- In the labor market reportings, US job openings decreased 0.4 million from 11.2 million to 10.8 million, hourly earnings rose 0.2% month-over-month and 4.6% year-over-year, Initial jobless claims rose 21,000 to 211,000, and nonfarm payrolls rose by 311,000 versus expectations of 223,000.

### PFG Strategy News

- Fixed Income markets outperformed equities for the week, leading to stronger returns for conservative models in our Strategy PLUS offerings.
- The PFG Active Core Bond Strategy is one of the top PFG Fund performers YTD, and one of the top outperformers for the week. It's exposure to investment grade credit and real returns has helped maintain these stronger fixed income returns.
- The PFG BNY Diversifier Strategy has also outperformed over similar timeframes. It's exposure to floating rate securities has proven to be beneficial in the current rate hiking environment.
- While financials largely underperformed for the week, regional banks felt most of the pain. It's important to stay diversified across market caps within underlying investments. The Focus PLUS models' exposure to financials is diversified as such, so the stress on regional banks shouldn't be as impactful on the portfolios as a whole.

### CHART OF THE WEEK:



The chart above shows the length of past bear markets, with a historical average line as reference. The chart indicates that the current bear market is now 298 days old, and only a few trading days shy of reaching the historical average line. The bear market we in has an expiration, and will ultimately give birth to another bull market.

Chart Source:  
<https://www.edwardjones.com/us-en/market-news-insights/stock-market-news/stock-market-weekly-update>

### THE WEEK AHEAD

#### Tuesday, March 14:

- Consumer Price Index (CPI)

#### Wednesday, March 15:

- Retail Sales
- Producer Price Index (PPI)
- Business Inventories

#### Thursday, March 16:

- Jobless Claims
- Import Price Index
- Housing Starts
- Building Permits

#### Friday, March 17:

- Industrial Production
- Consumer Sentiment

### MODEL HIGHLIGHT



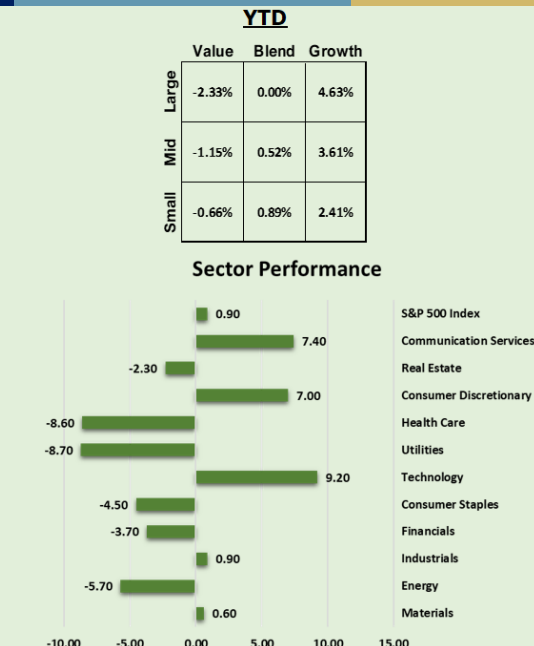
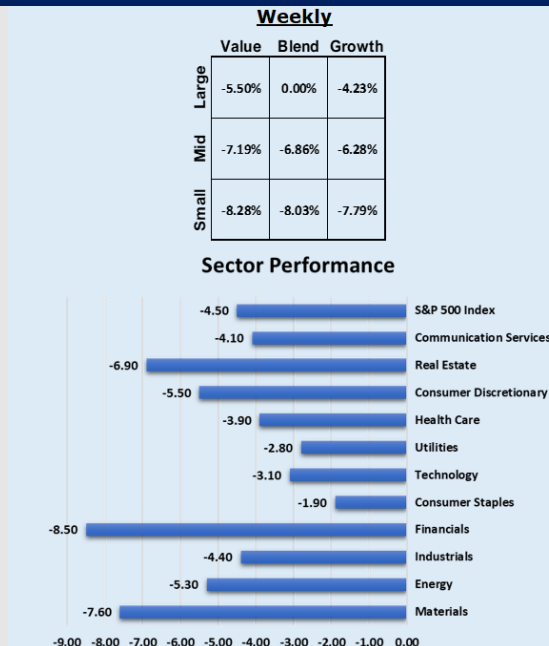
The Focus PLUS models are designed for investors who seek concentrated exposure to strategies through our Strategy PLUS offering. Each model is uniquely constructed to highlight strategies that we believe are best positioned for the current market environment. Holdings include both Tactical and Strategic strategies. Underlying holdings within the models provide Active management via individual stock or bond selection, as well as Passive investing which provides investors lower-cost, passive exposure to a specific index or benchmark. We believe the combination of these Strategic, Tactical, Active and Passive elements can deliver the desired portfolio outcome with greater diversification, improved risk management, and enhanced returns.



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# MANAGER'S PULSE

	Weekly	YTD
<b>Equities</b>		
S&P 500 Index	-4.51%	0.92%
Dow Jones Industrial Average	-4.35%	-3.24%
NASDAQ Composite Index	-4.68%	6.63%
MSCI EAFE NR	-0.76%	5.96%
<b>Fixed Income</b>		
U.S. Aggregate Bond Index	1.17%	1.45%
U.S. Corporates	0.84%	1.70%
U.S. High Yields	-0.90%	1.87%
<b>Rates</b>		
	3/10/2023	3/3/2023
30-Year US Treasury	3.70%	3.90%
10-Year US Treasury	3.70%	3.97%
2-Year US Treasury	4.60%	4.86%
Prime Rate	7.75%	7.75%
30-Year Fixed Mortgage	6.79%	6.79%
<b>Commodities (Levels)</b>		
	3/10/2023	12/30/2022
Oil (WTI)	\$75.72	\$80.16
Gold	\$1,861	\$1,814
Silver	\$20.09	\$23.95
Copper	\$8,755	\$8,387
Corn	\$6.10	\$6.14



## Important Disclosures

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The indices are presented as broad-based measures of the equity, fixed income and consumer markets. The indices are provided for comparative and illustrative purpose to provide a comparison of the model against the broader based equity, fixed income and consumer market. The indices are not intended to reflect the investment objectives of the model as the securities held within the model will differ in market volatility, concentration, investment objectives and diversification among others from those of the indices. The indices are not managed, and returns do not reflect the deduction of fees, expenses, transaction costs or taxes that actual client accounts are subject to. Investors cannot invest directly in an index. Returns are not annualized for periods less than 1 year.

Trailing Major Index Returns and YTD S&P Sector Returns are sourced from Morningstar Direct.

All other economic and market data sources may include, and is not limited to:

- JPMorgan Asset Management, publicly available at <https://am.jpmorgan.com/us/en/asset-management/adv/>
- insights/market-insights/market-updates/weekly-market-recap/
- Edward Jones, publicly available at <https://www.edwardjones.com/us-en/market-news-insights/stock-market-news/stock-market-weekly-update>
- Goldman Sachs, publicly available at <https://www.gsam.com/content/gsam/us/en/advisors/market-insights.html>
- T. Rowe Price, publicly available at <https://www.troweprice.com/personal-investing/resources/insights/global-markets-weeklyupdate.html>