

IN THE MARKETS:

- The major U.S. indexes saw a week of historic volatility with intraday swings of 6.8% at one point. However, results were mixed as the Dow Jones ended the week down -0.1%, the Nasdaq closed up 1.1% and the S&P 500 finished up 0.8%.
- As grouped by Morgan Stanley Capital International, developed markets finished the week down -0.9%, while emerging markets retreated -2.8%.
- Gold retreated -0.6% to \$1887.60 per ounce and West Texas Intermediate crude oil rose 1.5% to \$91.59 per barrel.

U.S. ECONOMIC NEWS:

- The number of Americans filing first-time unemployment benefits continued to decline last week, as the labor market remains remarkably robust. The Labor Department reported initial jobless claims fell by 17,000 to 232,000 in the week ended February 19th. Continuing claims, which counts the number of Americans already receiving benefits also fell and are at their lowest level since March of 1970.
- The National Association of Realtors (NAR) reported pending home sales fell a sharp 5.7% last month. This is the third straight monthly decline in the index for pending home sales. The West was the only region to see an increase in activity in January. The Federal Reserve's sharp pivot towards a steady pace of interest rate hikes, higher inflation, and continuing lack of supply seem to be finally weighing on the nation's home buyers.
- Data analytics firm IHS Markit reported the U.S. economy accelerated in February, according to both its services and manufacturing surveys. Markit stated its preliminary, or "flash", index of service-oriented companies jumped to 56.7 this month. Readings above 50 means businesses are growing and numbers above 55 are especially robust. Similarly, its gauge of manufacturing companies rose 2 points to 57.5. Service-oriented companies and manufacturers alike boosted production in February to keep up with strong sales. The flash IHS surveys offer the first broad look at the performance of the U.S. economy each month.

INTERNATIONAL ECONOMIC NEWS:

Last week, Russia launched an invasion of Ukraine, escalating an already tense situation and leading the U.S. and other countries to impose sanctions targeting Russia's financial system.

- Canada's Prime Minister Justin Trudeau announced a new suite of "severe" sanctions against Russian entities meant to hobble Russia's economy as its forces push further into Ukraine. Trudeau called Russia's act of war "a massive threat to security and peace around the world." Trudeau said Canada will target 62 individuals and entities, including members of the Russian elite and their family members, the Russian paramilitary organization Wagner Group and major Russian banks.
- French Economy and Finance Minister Bruno Le Maire and his German counterpart Christian Lindner stated the European Union wants to isolate Russia and cut all links with the global financial system. However, Lindner spelled out that "in one-off cases, payments (to Russia) remain possible, for example to pay for gas deliveries". Germany is highly dependent upon Russian natural gas, especially since the recent mothballing of several nuclear power plants in a "green" push.
- Japan's Prime Minister Fumio Kishida unveiled a set of tighter sanctions featuring a freeze on assets held by Russian banks and curbs on exports to military-linked groups. The new sanctions also include export controls on semiconductors and other high-tech products, as well as a suspension of visa issuance for certain Russian individuals and entities, Kishida said.

In contrast to the rest of the world, China may be the economic lifeline for Russia as it faces growing isolation over its invasion of Ukraine. Beijing has emerged as a key player with the potential to mitigate the economic damage and undermine the pressure campaign as Chinese customs authorities announced the lifting of import restrictions on Russian wheat, which makes up more than one-quarter of the global supply. Alicia García Herrero, chief economist for Asia Pacific at Natixis stated, "That's a signal of support. The other thing that China has done is to really make very clear that sanctions are ineffective and are not warranted."

Sources: All index and return data from Yahoo Finance; news from Reuters, Barron's, Wall St Journal, Bloomberg.com, ft.com, guggenheimpartners.com, zero hedge.com, ritzholtz.com, market.com, financialpost.com, Eurostat, Statistics Canada, Yahoo!Finance, stocksandnews.com, marketwatch.com, wantchinatimes.com, BBC, 361capital.com, pensionpartners.com, cnbc.com, FactSet, troweprice.com, edwardjones.com, cnn.com.