

Dear {Firstname},

## Weak Results for Markets

Although the Dow managed to post a small weekly gain, the S&P 500 and the NASDAQ fell for the third week in a row. With one week left in 2022, the S&P 500 was down 18% year to date on a total return basis and on track for its worst year since 2008.

The U.S. Federal Reserve's preferred gauge for tracking inflation showed a further cooling of price hikes. The government reported on Friday that its Personal Consumption Expenditures Price Index rose at an annual 5.5% rate in November, down from a 6.1% in October. Excluding food and energy prices, prices rose at a 4.7% annual rate versus 5.0% in October.<sup>1</sup>

## Market Update<sup>2</sup>

Market Index Returns as of 12/23/22	WTD	QTD	YTD	1 YR	3 YR	5 YR
S&P 500 TR USD	-0.17%	7.68%	-18.02%	-17.30%	7.79%	9.38%
NASDAQ Composite TR USD	-1.93%	-0.51%	-32.35%	-32.38%	6.28%	9.56%
DJ Industrial Average TR USD	0.86%	16.21%	-6.70%	-5.70%	7.41%	8.39%
Russell Mid Cap TR USD	0.06%	9.24%	-17.27%	-16.25%	5.93%	7.12%
Russell 2000 TR USD	-0.12%	6.14%	-20.50%	-20.33%	2.90%	4.02%
MSCI EAFE NR USD	0.37%	17.27%	-14.50%	-13.74%	0.98%	1.72%
MSCI EM NR USD	-0.24%	9.37%	-20.33%	-19.50%	-2.57%	-1.13%
Bloomberg US Agg Bond TR USD	-1.47%	2.54%	-12.44%	-12.30%	2.47%	0.26%
Bloomberg US Corporate High Yield TR USD	-0.44%	5.15%	-10.35%	-10.15%	0.40%	2.55%
Bloomberg Global Aggregate TR USD	-0.82%	4.92%	-15.97%	-15.91%	-4.13%	-1.27%

## Observations

**Blue Chip stocks as defined by the DJ Industrial Average lead U.S. domestic equities** for the week +0.86%

**Domestic stocks were generally down on the week**, with the tech-heavy Nasdaq -1.93% falling the most despite recording its single-best daily gain since November on Wednesday.

**Emerging markets were negative while international stocks gained**, with the MSCI EM and MSCI EAFE Indexes returning - 0.24% and +0.37%, respectively.

**Bond trading closed early on Friday for the Christmas holiday and was relatively negative** across the board; global bonds outperformed domestic bonds.

**Inflation Proof:** "Inflation, the curse of our pocketbooks and the Federal Reserve, has hit almost every good in the U.S. But the price of a beloved toy has managed to hover around \$1 — for more than 50 years. In a time when the average increase in suggested manufacturers' retail exceeds 15%, according to The Toy Book, Hot Wheels have bucked the trend. "It is exceptionally rare to find a toy that maintains its price for a few years, let alone more than five decades," Zahn is the editor-in-chief of The Toy Book, said. "Hot Wheels are an anomaly in that the continued sales volume and razor-sharp production pipeline manage to keep costs just low enough to maintain that sweet \$1 price point."<sup>3</sup>

**A World Cup Win is Very Rich:** On Sunday, December 18, Argentina team captain Lionel Messi held up the World Cup trophy, beating France 4-2 on penalty kicks, after deadlocking 3-3 at the completion of extra time. The victory is likely the crowning achievement and a storybook ending to the 35-year-old Messi's international playing career. The win represents the 3rd time Argentina has hoisted the trophy, following victorious campaigns in 1978 and 1986. "Argentina will earn \$42 million in prize money for the Argentine Football Association while France earned \$30 million for the French Football Federation. France won the World Cup in 2018 and the country's federation got \$38 million from FIFA's \$400 million prize fund. This year, FIFA's prize fund was increased to \$440 million." Each national federation that participated in the 2022 World Cup will earn at least \$9 million for their efforts.<sup>4</sup>

Reprinted with permission from BTN. Copyright © 2022 Michael A. Higley.

1. John Hancock Investment Management
2. Data obtained from Bloomberg as of 12/23/2022
3. Hot Wheels are one of the most inflation-proof toys in American history | NPR
4. Argentina wins World Cup 2022: How much does each team bring home? | FoxBusiness

## Economic Definitions

**Federal Reserve (Fed):** The Federal Reserve System is the central banking system of the United States of America.

**Building Permits:** Tracks the number of permits that have been issued for new construction, additions to pre-existing structures or major renovations. These statistics are based on the number of construction permits approved.

**Housing Starts:** Housing (or building) starts track the number of new housing units (or buildings) that have been started during the reference period.

**PCE (headline and core):** PCE deflators (or personal consumption expenditure deflators) track overall price changes for goods and services purchased by consumers. Deflators are calculated by dividing the appropriate nominal series by the corresponding real series and multiplying by 100.

**CPI (headline and core):** Consumer prices (CPI) are a measure of prices paid by consumers for a market basket of consumer goods and services. The yearly (or monthly) growth rates represent the inflation rate.

**Existing Home Sales:** This concept tracks the sales of previously owned homes during the reference period. Total existing home sales include single-family homes, townhomes, condominiums and co-ops. All sales are based on closings from Multiple Listing Services. Foreclosed homes are only counted in the inventory if the bank is working with a realtor. Foreclosed homes that sell via auction (or other closings outside of the Multiple Listing Services) are not included.

**Personal Income:** Consumer or Household Income (often referred to as personal income) tracks all income received by households including such things as wages and salaries, investment income, rental income, transfer payments, etc. This concept is not adjusted for inflation.

**Personal Spending:** Consumer or Household Spending (also referred to as consumption) tracks consumer expenditures on goods and services. This concept is not adjusted for inflation.

**University of Michigan Consumer Sentiment Index:** Consumer confidence tracks sentiment among households or consumers. The results are based on surveys conducted among a random sample of households.

**Chicago Purchasing Managers' Index (PMI)** determines the economic health of the manufacturing sector in Chicago region. A reading above 50 indicates expansion of the manufacturing sector; a reading below indicates contraction.

**Pending Home Sales:** This concept tracks signed real estate contracts for existing single-family homes, condos and co-ops that have not yet closed. As such it is a leading indicator for existing home sales.

## Index Definitions

**S&P 500:** The S&P 500® is widely regarded as the best single gauge of large-cap U.S. equities and serves as the foundation for a wide range of investment products. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

**NASDAQ:** The NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market. The index was developed with a base level of 100 as of February 5, 1971.

**Dow Jones Industrial Average:** The Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

**Russell Mid-Cap:** Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 25% of the total market capitalization of the Russell 1000 Index.

**Russell 2000:** The Russell 2000 Index is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 8% of the Russell 3000 total market capitalization. The real-time value is calculated with a base value of 135.00 as of December 31, 1986. The end-of-day value is calculated with a base value of 100.00 as of December 29, 1978.

**MSCI EAFE:** The MSCI EAFE Index is a free-float weighted equity index. The index was developed with a base value of 100 as of December 31, 1969. The MSCI EAFE region covers DM countries in Europe, Australasia, Israel, and the Far East.

**MSCI EM:** The MSCI EM (Emerging Markets) Index is a free-float weighted equity index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

**Bloomberg Barclays U.S. Agg Bond:** The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency).

**Bloomberg Barclays High Yield Corp:** The Bloomberg Barclays U.S. Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below. Bonds from issuers with an emerging markets country of risk, based on Barclays EM country definition, are excluded.

**Bloomberg Barclays Global Agg:** The Bloomberg Barclays Global Aggregate Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate debt from both developed and emerging markets issuers.

**Bloomberg Barclays Municipal Bond Index:** The Bloomberg Barclays U.S. Municipal Index covers the USD-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

## Disclosures

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. Please consult legal or tax professionals for specific information regarding your individual situation. A portion of this material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite, LLC, is not affiliated with the named representative, broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information and should not be considered a solicitation for the purchase or sale of any security.

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results.

Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. Index performance is not indicative of the past performance of a particular investment. Past performance does not guarantee future results. Individuals cannot invest directly in an index.

In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in accounting and other financial standards. These risks can be accentuated in emerging markets.

The statements provided herein are based solely on the opinions of the Advisor Group Research Team and are being provided for general information purposes only. Neither the information nor any opinion expressed constitutes an offer or a solicitation to buy or sell any securities or other financial instruments. Any opinions provided herein should not be relied upon for investment decisions and may differ from those of other departments or divisions of Advisor Group or its affiliates.

Certain information may be based on information received from sources the Advisor Group Research Team considers reliable; however, the accuracy and completeness of such information cannot be guaranteed. Certain statements contained herein may constitute "projections," "forecasts" and other "forward-looking statements" which do not reflect actual results and are based primarily upon applying retroactively a hypothetical set of assumptions to certain historical financial information.

Any opinions, projections, forecasts and forward-looking statements presented herein reflect the judgment of the Advisor Group Research Team only as of the date of this document and are subject to change without notice. Advisor Group has no obligation to provide updates or changes to these opinions, projections, forecasts and forward-looking statements. Advisor Group is not soliciting or recommending any action based on any information in this document.

Securities and investment advisory services are offered through the firms: FSC Securities Corporation, Royal Alliance Investments, Inc., SagePoint Financial, Inc., Triad Advisors, LLC, Inflex Investments, Inc., and Woodbury Financial Services, Inc., broker-dealers, registered investment advisers, and members of FINRA and SIPC. Securities are offered through Securities America, Inc., American Portfolios Financial Services, Inc., and Ladenburg Thalmann & Co., broker-dealers and member of FINRA and SIPC. Advisory services are offered through Arbor Point Advisors, LLC, American Portfolios Advisors, Inc., Ladenburg Thalmann Asset Management, Inc., Securities America Advisors, Inc., and Triad Hybrid Solutions, LLC, registered investment advisers. Advisory programs offered by FSC Securities Corporation, Royal Alliance Investments, Inc., SagePoint Financial, Inc., Securities America Advisors, Inc., Triad Advisors, LLC., and Woodbury Financial Services, Inc., are sponsored by VISION2020 Wealth Management Corp., an affiliated registered investment adviser.

**Melissa Minter**

[mminter@sagepointadvisor.com](mailto:mminter@sagepointadvisor.com)

505-342-0246

Lucero Financial Planning

Registered Representative

<http://www.lucerofinancialplanning.com>

Securities offered through SagePoint Financial, Inc. (SPF) member FINRA/SIPC. SPF is separately owned and other entities and/or marketing names, products or services referenced here are independent of SPF.

This message and any attachments hereto contain information that is confidential and intended for use only by the addressee. If you are not the intended recipient, or the employee or agent of the intended recipient responsible for delivering the message, you are notified that any review, copying, distribution or use of this transmission is strictly prohibited. If you have received this transmission in error, please (i) notify the sender immediately by email or by telephone and (ii) destroy all copies of this message.

This informational email is an advertisement and you may opt out of receiving future emails. To opt out, please click the "Unsubscribe" link below.

This message was sent by  
Lucero Financial Planning  
505-342-0246  
365 Schulte Rd NW  
Los Ranchos, NM 87107

[Unsubscribe](#)