

# Stocks and Consumer Prices Rise

## Weekly Update – August 17, 2020

### **The Week on Wall Street**

Stock prices drifted higher in an otherwise quiet news week, as a slowdown in new COVID-19 cases outweighed a Congressional impasse on a new fiscal-spending measure.

The Dow Jones Industrial Average gained 1.81%, while the Standard & Poor's 500 rose by 0.64%. The Nasdaq Composite Index inched 0.08% higher for the week. The MSCI EAFE Index, which tracks developed stock markets overseas, advanced 3.11%.

### **S&P 500 Nears All-Time High**

Stocks prices were supported by a falling rate of COVID-19 cases nationwide and optimism that – despite a lack of progress on a fiscal-aid bill – Congress would eventually come to a spending agreement.

The industrial and financial sectors saw solid gains, while technology stocks, after slipping earlier in the week, found some footing as the week came to a close.

The S&P 500 Index flirted all week with setting a new record high. At one point on Thursday, it traded above its February 2020 record close before closing slightly lower. Stocks treaded water into Friday, as Congress recessed for the summer.

### **Consumer Prices Jump**

On Wednesday, the Labor Department said that the Consumer Price Index rose 0.6% in July, matching the 0.6% increase in June. The increase was double the consensus estimate of 0.3%. The general view is that the acceleration in consumer prices is more indicative of a healing economy than the beginning of a cycle of higher inflation.

The Fed does not appear concerned about these recent monthly price jumps. It remains more worried about disinflation. However, if inflation continues to pick up, the Fed may be forced to reconsider its COVID-19 monetary policy.

### **THIS WEEK: KEY ECONOMIC DATA**

**Tuesday:** Housing Starts.

**Wednesday:** Federal Open Market Committee (FOMC) Minutes.

**Thursday:** Jobless Claims. Index of Leading Economic Indicators.

**Friday:** Existing Home Sales.

Source: Econoday, August 14, 2020

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:** JD.com (JD).

**Tuesday:** Walmart (WMT), The Home Depot (HD), Kohls (KSS).

**Wednesday:** Nvidia (NVDA), Target (TGT), Lowe's (LOW).

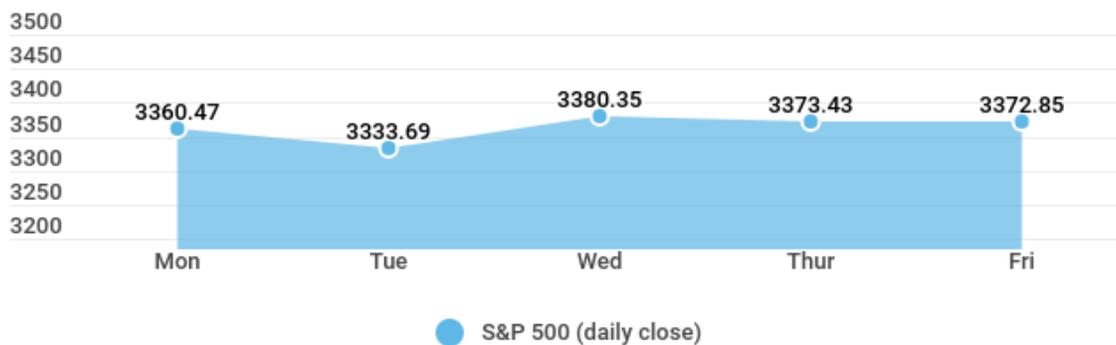
**Thursday:** Alibaba Group (BABA).

**Friday:** John Deere (DE).

Source: Zacks, August 14, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and 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 notice.

Market Index	Close	Week	Y-T-D
DJIA	27,931.02	+1.81%	-2.13%
NASDAQ	11,019.30	+0.08%	+22.81%
MSCI-EAFE	1,912.76	+3.11%	-6.10%
S&P 500	3,372.85	+0.64%	+4.40%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.71%	+0.15%	-1.21%

Sources: The Wall Street Journal, August 14, 2020; Treasury.gov, August 14, 2020  
 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, August 7, to Friday, August 14, close. Weekly performance for the MSCI-EAFE is measured from Friday, August 7, open to the Thursday, August 13, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

## QUOTE OF THE WEEK

*“Attempt the impossible in order to improve your work”*

– Bette Davis

## RECIPE OF THE WEEK

## The Most Perfect Mashed Potatoes



4 servings

### Ingredients:

- 3 large russet potatoes
- ¼ cup butter
- ½ cup whole milk
- Salt and pepper

### Directions:

1. Peel the potatoes and cut them in half, lengthwise. Boil them until tender, about 20 to 25 minutes.
2. Drain the potatoes and then return them to the pot. Turn the heat to high and allow the potatoes to dry for about 30 seconds.
3. Mash the potatoes twice around the pot; then, add the butter and milk. Continue to mash until fluffy. Season with salt and pepper, generously.



## Tips When Looking for a Tax Preparer

When you're looking for a tax preparer, you want to make sure to find someone you trust. These tips will help you find a responsible professional and wisely prepare yourself:

- Check the preparer's qualifications
- Ask about service fees
- Make sure the preparer is available
- Never sign a blank tax return
- Review your tax return before signing
- Ensure that the preparer signs the return and includes their Preparer Tax Identification Number

These tips will help you find the right tax preparer. If needed, you can report abusive tax preparers to the IRS using Form 14157.

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



### Should You Try Hogan's Method?

Experienced golfers know that the power of your swing comes from your trunk and core, not your arms. In fact, many golf coaches recommend having "soft arms" to allow for more lag in your downswing.

One golfer who famously adopted this method was Ben Hogan. While swinging, Hogan would maintain his arm posture with his left arm remaining straight, and his right arm bent sharply at the elbow. During his swing, he would simply let his arms drop naturally with gravity. This technique encourages clubhead lag, which can be beneficial for your swing. In addition, you may want to focus on having a soft grip to aid in this natural lag.



### Summer Skin Care Tips That Shine

Summer is a time for warm days and long nights. With everything going on, it's always important to take care of ourselves, which includes our skin. These skincare tips can apply to everyone.

- **Always wear SPF.** This is the most important skincare rule throughout the year, but especially during summer. Sunscreen may help protect your skin against wrinkles, premature aging, sunspots, and skin cancer.
- **Don't stop moisturizing.** Although summer is more humid than the colder months, it's still important to moisturize your skin and keep it hydrated. Look for a dual-purpose moisturizer with SPF.
- **Be careful of over-bathing.** Between swimming, sweating, and beach days, you might find yourself showering more than once a day. Keep your showers short to avoid drying out your skin.

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Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

The Standard & Poor’s 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The 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 stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

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You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

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