

WEEKLY MARKET UPDATE

Week of February 8, 2023



By The Numbers

<u>Index</u>	<u>DOW</u>	<u>S&P 500</u>	<u>NASDAQ</u>	<u>10YR Yield</u>
Yesterday's Close	34,156	4,164	12,113	3.68%
Market Change from Last Meeting	+0.2%	+2.2%	+4.6%	+4.5%
Market Change Year-To-Date	+2.8%	+8.2%	+16%	-2.7%

Fed Raises Rates

On Wednesday, February 1, the Federal Reserve raised their target fund rate by 25 basis points, putting the rate into the 4.50% - 4.75% range. Fed Chairman Jerome Powell followed this rate hike with the following comment: "Ongoing increases in the target range will be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to the return of inflation to 2% over time."

Jobs Report

On Friday, February 3, non-farm payrolls jumped by 517,000 new jobs created month over month in January, compared to the Bloomberg consensus estimate of a 190,000 rise, while the December report was upwardly adjusted to an increase of 260,000 from the initial 223,000. Under normal circumstances, a positive jobs report would lead to higher stock prices as investors feel confident about the direction of the economy. However, this high report indicates the Fed may need to keep raising rates to slow the economy, which could cause stock prices to fall.

Economic Club of Washington

Federal Reserve Chairman Jerome Powell spoke at the Economic Club of Washington on February 7 and delivered a mixed message. He acknowledged progress against inflation with the following: "The disinflationary process, the process of getting rates down, has begun and it's begun in the goods sector, which is about a quarter of our economy. But it has a long way to go; these are the very early stages."

He also warned of future rate hikes with this: "If we continue to get, for example, strong labor market reports or higher inflation reports, it may well be the case that we have to do more and raise rates more than is priced in."

Not FDIC Insured | No Bank Guarantee | May Lose Value

QUESTIONS? Dan Bolan, FNBC Portfolio Manager | 708.579.8574 | dbolan@fnbcbt.com