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## Weekly Update

4/18/22

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|                         |                     | <u>Last Week</u> | <u>YTD Returns</u> |
|-------------------------|---------------------|------------------|--------------------|
| Domestic Equities       | S&P 500             | -2.11%           | -7.45%             |
| International Developed | MSCI EAFE           | -0.93%           | -8.62%             |
| Emerging Market         | MSCI EM             | -0.83%           | -9.20%             |
| Fixed Income            | BBgBarc US Agg Bond | -0.70%           | -8.54%             |

Index returns are from YCharts and are calculated on a total return basis, with dividends reinvested.

As we enter the heart of earnings season we will be looking for earnings and guidance to determine the near-term outlook for stocks. Outside of this, inflation remains the key focus of investors. Central banks in Canada and New Zealand both increased policy rates by 0.50% recently and the Fed appears ready to follow suit at their May meeting. It is hard to see growth stocks resuming their leadership mantle if the Fed remains fixated on raising rates and combating high inflation. However, we must not view this as an inevitability at this point. It is possible that conditions will evolve that would ultimately allow/require the Fed to slow the pace of rate hikes. This could pave the way for a rebound in growth stocks, particularly in the most beaten-down areas such as software companies.