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Weekly Update

12/12/22

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	-3.35%	-16.17%
International Developed	MSCI EAFE	-0.20%	-12.96%
Emerging Market	MSCI EM	0.48%	-18.43%
Fixed Income	Bloomberg US Agg Bond	-0.44%	-11.84%

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

After a few consecutive weeks of gains, markets were generally lower last week. We are back in one of those strange periods where good economic news results in selling in financial markets. Investors continue to pin their hopes on a pivoting of monetary policy, and a strong economy will only give the Fed more leeway to continue down its current path of tightening. The Fed is meeting this week, and indications are that they will slow the pace of rate hikes from 0.75% to 0.50%, but this may depend in part on Tuesday's inflation readings. Last week we saw higher-than-expected producer price data, and if this week's consumer price data comes in hot, another 0.75% hike could be a possibility. The Fed has rapidly raised rates this year, and we are hoping they will slow the pace of hikes, as policy works with a lag and needs time to filter through the economy. Whatever the case, all eyes will be on the Fed when they announce their latest decision this Wednesday.