

Index Returns

Year-to-Date

As of 12/9 close

S&P 500: -16.17%

Dow Jones: -5.95%

Nasdaq: -29.10%

Agg Bond: -11.44%

Muni Bond: -6.38%

Small Cap: -18.94%

Int'l Stock: -12.53%

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EWM A.M. Cup of Joe

ASSET MANAGEMENT

Edition 40 – Week of December 12th



Our weekly blend of information to help keep you alert so you can stay the course and maintain your path using EWM as your COMPASS.

I. The Beans – The foundation of this week's analysis



The Grounds – Pathway of the market

Key Point: 10 of the 11 equity sectors moved lower last week as recession fears and inflation pressures loom ahead of the Fed interest rate announcement this Wednesday.

- *What does that mean for me?* – The Fed's decision to increase rates at 50 bps or 75 bps could negatively impact how investors react for the rest of 2022.



The Brew – Economic Drivers

Key Point: November's inflation report will be released this Tuesday ahead of the Fed's interest rate meeting. This may give the Fed an accurate depiction of current inflation.

- *How that may affect you* – Inflation has been trending lower; however, November's report could provide the support needed to conclude inflation already peaked.

II. The Aroma – Highlights of market activity



Broad Market Analysis - Potential direction of the market

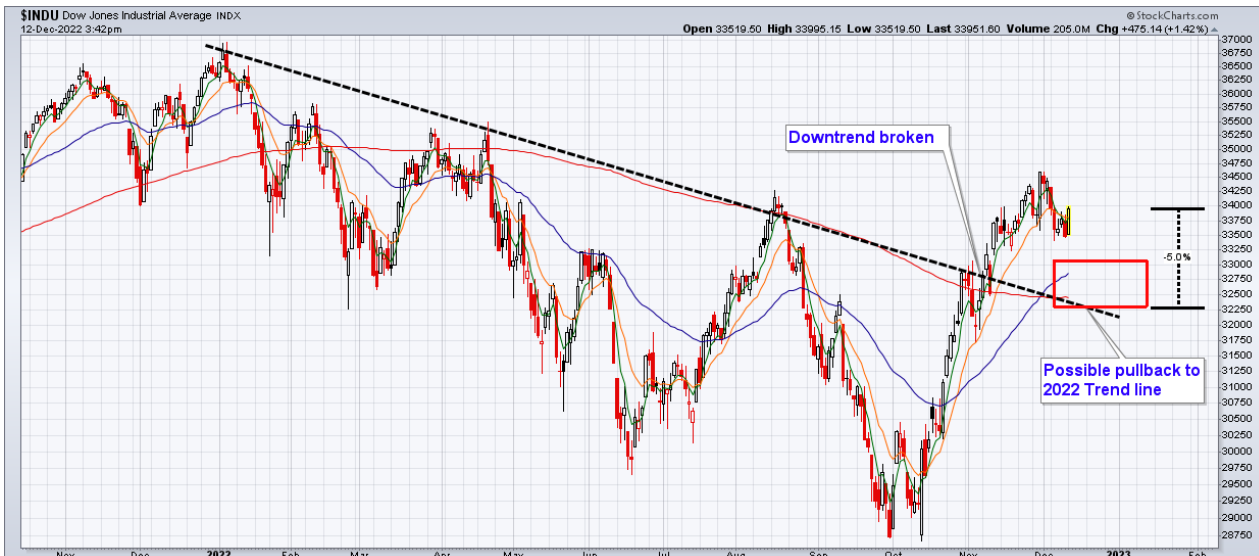
Key Point: This week we are revisiting the Dow Jones trend breakout (**black line**) that we discussed in November after the mid-term elections.

- *What does that mean?* – The Dow lead the equity market higher and signaled that the worst could be behind us in 2022. As momentum started to slow, we have seen a pullback in price over the last 10 days. The **red box** shows a price area the Dow could move to in the near-term. Historically, late December is a catalyst for stock prices to move higher but a 75-bps increase from the Fed could scare bullish investors away.

Chart Name – Dow Jones

Chart Type – Daily

Chart Period – 14 Months



III. The Cream & Sugar – The road EWM has taken



What We're Doing – **The following activity is not necessarily representative of every client portfolio whether positive or negative*

Legend		Security	Action	Description
Buy	New holding	Brinker Intl, Inc. (EAT)	Sell	Closed the remaining 50% of the position in EAT after a breakout move higher. The stock rose over 40% off its October bottom price. Took a gain in the remaining shares and may look to buy back in on a pullback in price.
Sell	Sell All			
Trim	Sell Percent			
Add	Increase Holding			

Disclosures

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Disclosure: EWM employees may own shares of certain companies mentioned in personal brokerage accounts

Chart of the Week – Holding Highlight



Moving Averages (MA)

20-day	Green
50-day	Blue

*Courtesy of StockCharts.com

NAME	HEALTH CARE SELECT SECTOR SPDR FUND (XLV)
SECTOR	Health Care
INDUSTRY	Sector ETF
ANALYSIS	<ul style="list-style-type: none"> • XLV tracks health care stocks from within the S&P 500 Index, weighted by market cap. • XLV was featured as our Chart of the Week in October as the Health Care sector rotated higher as one of the stronger equity sectors. • Since August, XLV has outperformed the market by over 12% and has remained one of the top five sectors year-to-date. The chart displays a bullish (positive) setup with the 20-day (green) moving average above the 50-day (blue) moving average since late September.

IV. The Double Shot of Espresso – Information to boost your Cup of Joe



- Read J.P. Morgan's "[Weekly Market Recap](#)" for their latest update
- Read TD Ameritrade's "[Macro Monday](#)" for an insight into technical analysis

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