

EWM A.M. Cup of Joe

ASSET MANAGEMENT

Edition 30 – Week of October 3rd



Index Returns

Year-to-Date

As of 9/30 close

S&P 500: -23.87%

Dow Jones: -19.72%

Nasdaq: -32.00%

Agg Bond: -14.61%

Muni Bond: -10.59%

Small Cap: -25.10%

Int'l Stock: -26.76%

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: All equity indices saw their third consecutive week of negative returns.

- *What does that mean for me?* – The markets could be moving closer to a bottoming area as we approach the mid-term elections in the next 4 weeks. We may see the volatility to continue but it could be a good opportunity to add cash.



The Brew – Economic Drivers

Key Point: Quality rated fixed income (debt) valuations are at 10-year low levels.

- *How that may affect you* – Bonds could seem attractive to investors at these sold off levels; we could see a move higher into the end of 2022 in the bond market.

II. The Aroma – Highlights of market activity



Broad Market Analysis - Potential direction of the market

Key Point: The Relative Strength Indicator (RSI) is showing a divergence versus the price action, meaning the price has set a new low (green) while the RSI has not (yellow).

- *What does that mean?* – This divergence could signal a bullish reversal that may move the stock market higher in a short-term rally.

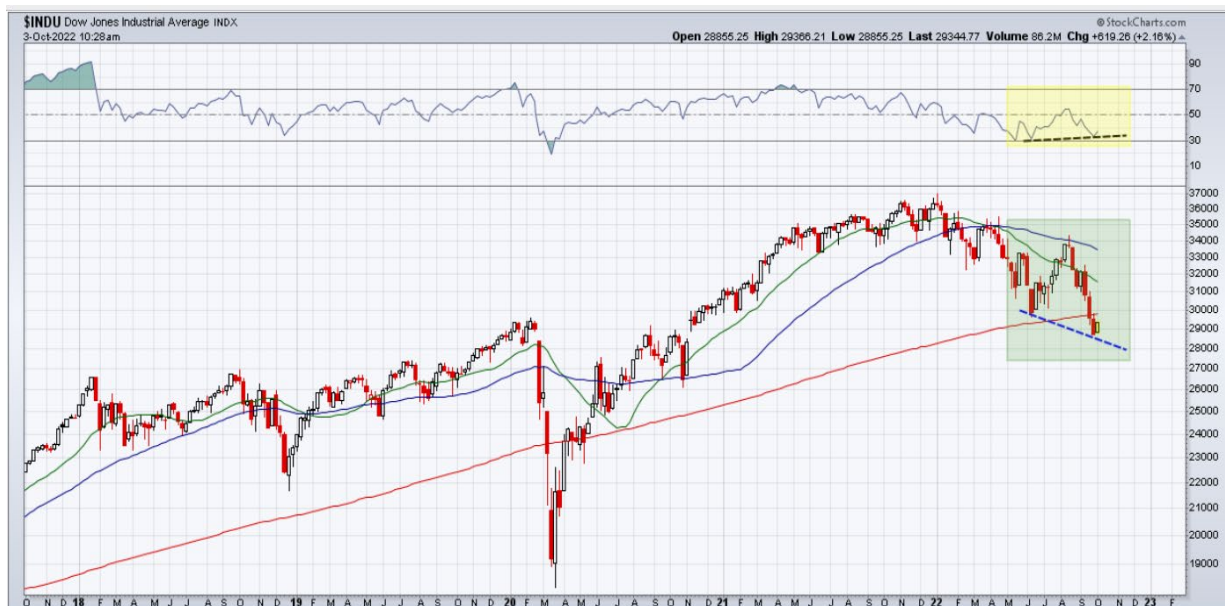
Decaf Blend Easy Points to Understand

- All equity indices saw their third consecutive week of negative returns.
- Quality rated fixed income (debt) valuations are at 10-year low levels.
- The Relative Strength Indicator (RSI) is showing a divergence versus the price action, meaning the price has set a new low while the RSI has not.



Click [here](#) for the most recent Compass Market Minute

Have questions about your portfolio? Contact a member of our Asset Management Team!



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	
Buy	New holding
Sell	Sell All
Trim	Sell Percent
Add	Increase Holding

Security	Action	Description
SPDR Portfolio S&P 600 Small Cap ETF (SPSM)	Add	Adding to small cap fund because of consolidation in price chart. SPSM has shown strength vs the market over 2 weeks.
Real Estate Select Sector SPDR Fund (XLRE)	Add	Increased position as 5-year chart is moving lower with less momentum. This could indicate a reversal move higher.

Chart of the Week – Holding Highlight



Moving Averages (MA)

20-day	Green
50-day	Blue

*Courtesy of StockCharts.com

NAME	PHILLIPS 66 (PSX)
SECTOR	Energy
INDUSTRY	Integrated Oil & Gas
ANALYSIS	<ul style="list-style-type: none"> Phillips 66 engages in the processing, transportation, storage, and marketing of fuels and other related products. With crude oil down 30% off its June high, oil & gas companies have seen profit margins decreased. PSX has outperformed the industry. The most recent jump in oil prices has helped PSX move off lows above its 20-day moving average. This could signify a reversal in trend.

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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