

Index Returns

Year-to-Date

As of 10/14 close

S&P 500: -23.87%

Dow Jones: -17.13%

Nasdaq: -33.62%

Agg Bond: -15.84%

Muni Bond: -9.95%

Small Cap: -24.28%

Int'l Stock: -26.34%

Compass Market Minute



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EWM A.M. Cup of Joe

ASSET MANAGEMENT

Edition 32 – Week of October 17th



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: On Thursday (10-13), equity markets experienced a negative reaction following the inflation report but rallied back to post 2-3% gains on the day.

- *What does that mean for me?* – The market experienced extreme volatility which resulted in the buyers overtaking the sellers. This may be a turning point in 2022.



The Brew – Economic Drivers

Key Point: The economy is starting to experience decreasing commodity prices, lowering costs to ship goods, and improving supply chains.

- *How that may affect you* – Inflation could start to decrease in the coming months without the Fed having to continue interest rate hikes.

II. The Aroma – Highlights of market activity



Broad Market Analysis - Potential direction of the market

Key Point: Highlighted in **yellow**, the Dow Jones experienced a technical signal called an “**Outside Day**”. This happened after a sharp downtrend (**blue line**) and the candle stick was larger than the previous 4 days of trading.

What does that mean? – This could signal a reversal in trend to move higher(**green**) however, we would want to see the Dow stay above 29,500 to confirm the pattern.

Chart Name – Dow Jones

Chart Type – Daily

Chart Period – 8 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	
Buy	New holding
Sell	Sell All
Trim	Sell Percent
Add	Increase Holding

Security	Action	Description
SPDR Portfolio S&P 400 Mid Cap ETF (SPMD)	Buy	Buying a new mid-cap fund for specific accounts with cash remaining. Smaller companies have experienced a larger decline in 2022 and present an opportunity for growth over the next 12-18 months.

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	Broad Sector Fund
ANALYSIS	<ul style="list-style-type: none"> • XLV tracks health care stocks from within the S&P 500 Index. • Services, like health care, could potentially rotate into favor over goods for 2023 as inflation continues and the price of goods remain elevated. • XLV used last week's momentum to move above its 20-day moving average (green line). Breaking a new high above \$127.54 could be key to a longer-term move higher.

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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