



# EWM A.M. Cup of Joe

## ASSET MANAGEMENT

Edition 34 – Week of October 31<sup>st</sup>



### Index Returns

#### Year-to-Date

As of 10/28 close

S&P 500: -17.09%

Dow Jones: -6.14%

Nasdaq: -28.59%

Agg Bond: -15.36%

Muni Bond: -11.10%

Small Cap: -16.85%

Int'l Stock: -22.87%

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:** U.S. equity markets demonstrated strength last week despite worse than anticipated quarterly earning reports from Google, Amazon, and Microsoft.

- *What does that mean for me?* – Investors may already be pricing in poor economic conditions into stock prices headed into 2023.



### The Brew – Economic Drivers

**Key Point:** The most recent U.S. inflation report showed signs that the rise in prices of goods and services is beginning to slow down.

- *How that may affect you* – This is a positive sign for consumers as we may start to see prices of groceries begin to fall.

## II. The Aroma – Highlights of market activity



### Broad Market Analysis - Potential direction of the market

**Key Point:** The Dow Jones has found long-term support at its 50-month moving average (blue line) highlighted by the green rectangle.

*What does that mean?* – The Dow has hit that 50- month line 4 separate times over the last ten years. Each time, this indicator has historically triggered buyers into the market which resulted in a change of mindset followed by a move higher.

Chart Name – Dow Jones

Chart Type – Monthly

Chart Period – 20 Years



## Compass Market Minute



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
Amgen, Inc. (AMGN)	Sell	Sold position in AMGN for a gain after the stock made a breakout move higher on positive company news.
Metlife, Inc. (MET)	Trim	Sold half the position in Metlife after the stock price moved to 52-week high. Price could move lower before earnings report.

Disclosures

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### Chart of the Week – Holding Highlight



**Moving Averages (MA)**

20-day	Green
50-day	Blue

\*Courtesy of StockCharts.com

<b>NAME</b>	<b>CATERPILLAR, INC. (CAT)</b>
<b>SECTOR</b>	<i>Industrial</i>
<b>INDUSTRY</b>	<i>Commercial Vehicles &amp; Trucks</i>
<b>ANALYSIS</b>	<ul style="list-style-type: none"> <li>• Caterpillar, Inc. engages in the manufacture of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives.</li> <li>• As a component of the Dow Jones, CAT has displayed strength relative to its index so far in 2022.</li> <li>• After beating earnings expectations last week, CAT broke out above its 20 (green), 50 (blue) and 200 (not shown) day moving average lines. This was the largest price movement for the stock in the last 5 years.</li> </ul>

### 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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