

Weekly Economic Update for 6/3/2024

Stocks edged lower in the final week of May as fresh news on economic growth and inflation failed to inspire investors.

Stocks Slide

Markets shrugged off news that the Q1 Gross Domestic Product was revised lower to 1.3 percent from the initial estimated 1.6 percent. Despite concerns that the economy was cooling faster than expected, investors didn't believe the update was enough to influence the Fed's decision about adjusting short-term rates.¹

On Friday, investors were on edge waiting for the update on inflation. The Fed's preferred inflation indicator, called the personal consumption and expenditures (PCE), rose 0.2 percent in April, which was in line with forecasts.²

Stocks rose slightly in pre-market trading on the news but were under pressure throughout the day as investors digested the inflation update. But in the last hour of trading, stock staged a powerful rally led by the Dow, which had its best day of the year.



YCHARTS

Weekly Market Insights (WMI)

Major Index Return Summary

| Name | 1M TR | YTD TR | 1Y TR | 5Y TR |
|-------------------------------------|--------------|---------------|---------------|---------------|
| Dow Jones Industrial Average | 1.04% | 1.97% | 17.80% | 68.33% |
| MSCI EAFE | 3.29% | 6.72% | 16.37% | 49.16% |
| Nasdaq Composite | 6.99% | 11.83% | 29.56% | 130.5% |
| S&P 500 | 4.11% | 10.40% | 26.40% | 103.9% |

S&P 500 Daily Close



10-Year Note Review

| Indicator Name | Latest Value | 1M Ago | 1M Change |
|------------------------------|--------------|--------|-----------|
| Date | | 3M Ago | 3M Change |
| | | 1Y Ago | 1Y Change |
| 10 Year Treasury Rate | 4.51% | 4.69% | -3.84% ▼ |
| 05/31/24 | | 4.25% | 6.12% ▲ |
| | | 3.64% | 23.90% ▲ |

Source: YCharts.com, June 1, 2024. Weekly performance is measured from Friday, May 24, to Friday, May 31.

TR = total return for the index, which includes any dividends as well as any other cash distributions during the period.

Treasury note yield is expressed in basis points.

Is Bad News Good News?

On the economic front, last week's news was generally disappointing. The update on Q1 GDP was a bit discouraging, and several Fed officials gave seemingly more hawkish updates. Also, the Fed's "Beige Book" revealed modest economic growth nationwide.

Yet despite the drumbeat of bad news, stocks were resilient and closed only slightly lower for the holiday-shortened week.³

This Week: Key Economic Data

Monday: ISM Manufacturing Index. Construction Spending.

Tuesday: Motor Vehicle Sales. Factory Orders.

Wednesday: ADP Employment Report. EIA Petroleum Status Report.

Thursday: Jobless Claims. International Trade in Goods & Services. Productivity and Costs.

Friday: Employment Situation. Fed Official Lisa Cook speaks.

Source: Investors Business Daily - Econoday economic calendar, May 31, 2024

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

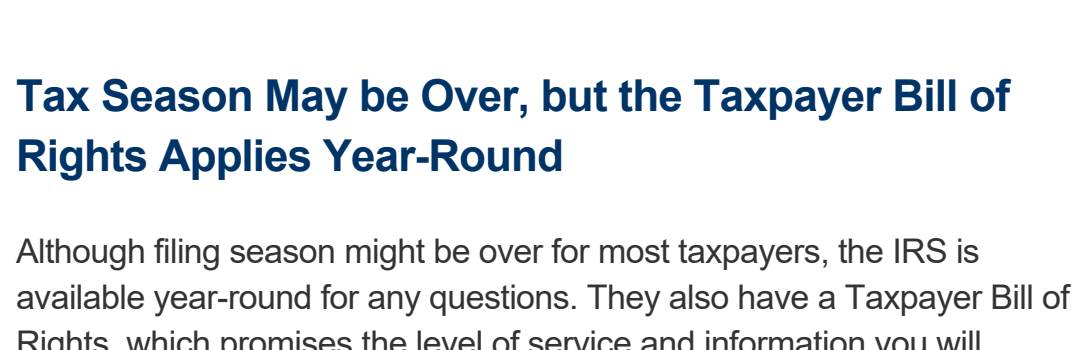
This Week: Companies Reporting Earnings

Tuesday: CrowdStrike (CRWD), Hewlett Packard Enterprise Company (HPE)

Wednesday: lululemon athletica Inc. (LULU), DollarTree, Inc. (DLTR)

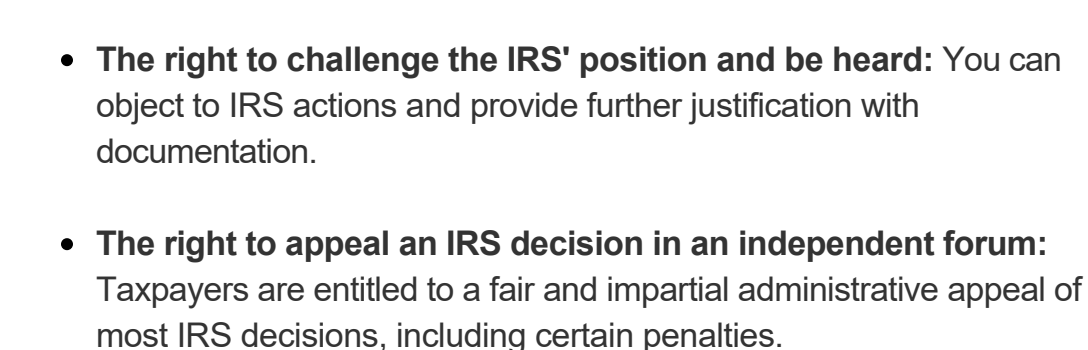
Source: Zacks, May 31, 2024

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"Lasting change is a series of compromises. And compromise is all right, as long your values don't change."

– Jane Goodall



Tax Season May be Over, but the Taxpayer Bill of Rights Applies Year-Round

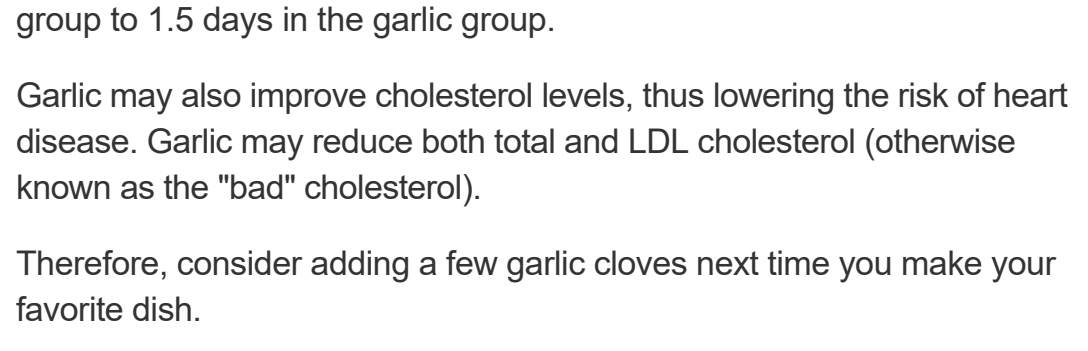
Although filing season might be over for most taxpayers, the IRS is available year-round for any questions. They also have a Taxpayer Bill of Rights, which promises the level of service and information you will receive when working with the IRS.

Here are the ten fundamental rights you have as a taxpayer when interacting with the IRS:

- **The right to be informed:** As a taxpayer, you must know what is required to comply with tax laws.
- **The right to quality service:** You will receive prompt, courteous, professional assistance.
- **The right to pay no more than the correct amount of tax:** You only pay what is legally due, including interest and penalties.
- **The right to challenge the IRS' position and be heard:** You can object to IRS actions and provide further justification with documentation.
- **The right to appeal an IRS decision in an independent forum:** Taxpayers are entitled to a fair and impartial administrative appeal of most IRS decisions, including certain penalties.
- **The right to finality:** You have the right to know how much time you have to challenge an IRS position and how soon the IRS must audit your taxes.
- **The right to privacy:** All IRS inquiries, examinations, and enforcement will not be more intrusive than necessary.
- **The right to confidentiality:** Taxpayers have the right to expect that their tax information will remain confidential.
- **The right to retain representation:** Taxpayers have the right to retain an authorized representative of their choice to represent them in their interactions with the IRS.
- **The right to a fair and just tax system:** Taxpayers have the right to expect fairness from the tax system; this includes considering all facts and circumstances that might affect their liabilities and their ability to pay or provide information in a timely fashion.

**This information is not intended to be a substitute for specific, individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.*

Tip adapted from IRS.gov⁴



Health Benefits of Garlic

Not only is garlic delicious, but it also confers many potential health benefits.

One of the most potent benefits of garlic is that it may bolster your immune system and help you combat sickness, including the common cold. One large 12-week study found that a daily garlic supplement reduced the number of colds by 63% compared to a placebo. The average length of cold symptoms was also reduced by 70%, from 5 days in the placebo group to 1.5 days in the garlic group.

Garlic may also improve cholesterol levels, thus lowering the risk of heart disease. Garlic may reduce both total and LDL cholesterol (otherwise known as the "bad" cholesterol).

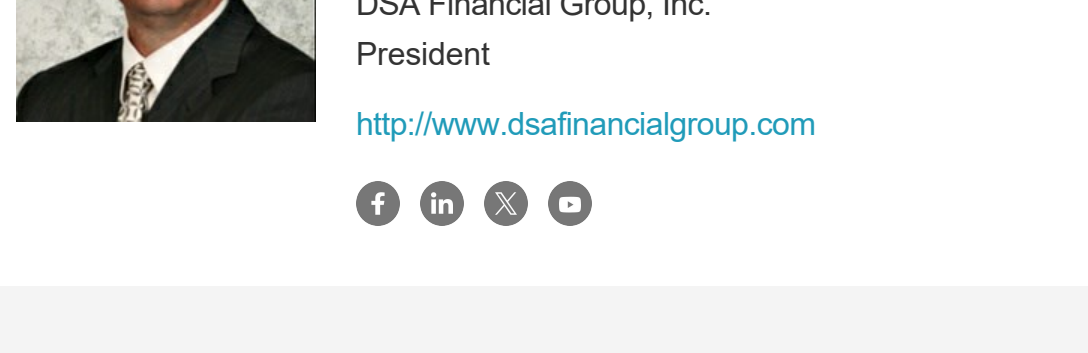
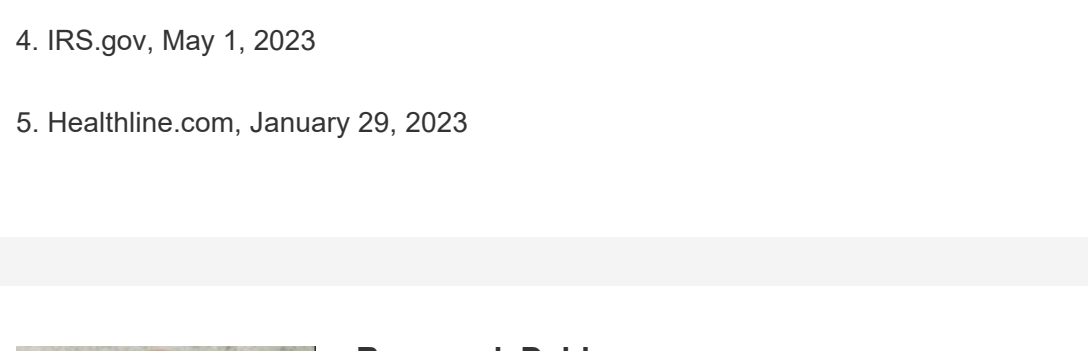
Therefore, consider adding a few garlic cloves next time you make your favorite dish.

Tip adapted from Healthline.com⁵



What runs around a field but doesn't move?

Last week's riddle: There is a word that starts and ends with T and contains "tea" as well. What word is this? Answer: Teapot.

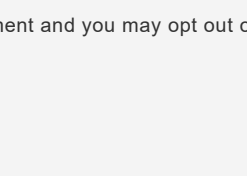


*Burj Khalifa Skyscraper
Dubai, United Arab Emirates*

Footnotes and Sources

1. CNBC.com, May 30, 2024
2. CNBC.com, May 31, 2024
3. Investors Business Daily, May 30, 2024
4. IRS.gov, May 1, 2023
5. Healthline.com, January 29, 2023

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