**Weekly Market Commentary**

**April 4, 2022**

**The Markets**

Checking in on the Federal Reserve.

Among other things, Congress asks the Federal Reserve to use its tools to promote price stability and maximum employment. Last week, economic data provided information about both.

**Inflation continued to increase**

Price stability means ensuring the prices of goods and services increase at a slow and stable pace. Last week, the *Bureau of Economic Analysis* reported that consumer prices rose 5.4 percent, year-over-year in February, excluding food and energy. When food and energy were included, inflation increased 6.4 percent.

Personal income increased, too, but not quite as quickly as inflation did.

The Fed’s target for inflation is 2 percent. To bring inflation into line, the Fed has begun tightening monetary policy. So far, it has ended asset purchases and started raising the federal funds target rate. Next, it will begin to shrink its balance sheet. However, the war in Ukraine and a new COVID-19 outbreak in China are complicating the Fed’s inflation calculations.

**Unemployment remained low**

Maximum employment is “…the highest level of employment the economy can sustain without generating unwelcome inflation It describes an economy in which nearly everyone who wants to work has a job, reported Lorena Hernandez Barcena and David Wessel of Brookings.”

Not everyone who wants a job has one, but last week’s employment report from the Bureau of Labor Statistics showed the unemployment rate was quite low at 3.6 percent, overall. When the statistic is viewed by gender and race:

* Men have a 3.1 percent unemployment rate with 70.6 percent participation,
* Women a 2.8 percent unemployment rate with 57.2 percent participation,
* Asian people a 2.8 percent unemployment rate with 64 percent participation,
* White people a 3.2 percent unemployment rate with 60.3 percent participation,
* Hispanic people a 4.2 percent unemployment rate with 66.4 percent participation, and
* Black people a 6.2 percent unemployment rate with 62.1 percent participation.

Major stock indices finished the week mixed, reported Ben Levisohn of *Barron’s*. The Treasury yield curve inverted last week with the yield for a 10-year Treasury dropping below the yield for a 2-year Treasury.

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| **Data as of 4/1/22** | **1-Week** | **Y-T-D** | **1-Year** | **3-Year** | **5-Year** | **10-Year** |
| Standard & Poor's 500 Index | 0.1% | -4.6% | 13.1% | 16.6% | 14.0% | 12.4% |
| Dow Jones Global ex-U.S. Index | 0.8 | -6.5 | -4.9 | 4.9 | 4.4 | 3.2 |
| 10-year Treasury Note (yield only) | 2.4 | N/A | 1.7 | 2.5 | 2.4 | 2.2 |
| Gold (per ounce) | -1.3 | 6.0 | 11.8 | 14.3 | 9.1 | 1.4 |
| Bloomberg Commodity Index | -4.6 | 24.9 | 47.8 | 14.9 | 7.9 | -1.4 |

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

**AN UPDATE ON THE GENDER WAGE GAP…**The gender wage gap is closing for young women in a few cities across the United States. Overall, in 2019, women earned about 82 percent of what men earned. However, women under 30, who worked full time, year-round, earned as much or more than men of the same age and employment statusin a few places, according to a new survey from Pew Research.The gender wage gap had closed or reversed in 22 of 250 cities reviewed.

In several cities, younger women earned more than younger men. The cities where women had made the biggest gains were:

* Wenatchee, WA: 120 percent

(Median annual earnings for women: $30,363)

* Morgantown, WV: 114 percent

(Median annual earnings for women: $32,373)

* Barnstable Town, MA: 112 percent

(Median annual earnings for women: $36,652)

* Gainesville, FL: 110 percent

(Median annual earnings for women: $28,000)

* Naples-Immokalee-Marco Island, FL: 108 percent

(Median annual earnings for women: $29,830)

The cities where women earned the least relative to what men earned were:

* Elkhart-Goshen, IN: 67 percent

(Median annual earnings for women: $26,634)

* Beaumont-Port Arthur, TX: 68 percent

(Median annual earnings for women: $25,899)

* Odessa, TX: 68 percent

(Median annual earnings for women: $26,634)

* Mansfield, OH: 69 percent

(Median annual earnings for women: $22,373)

* Decatur, IL: 70 percent

(Median annual earnings for women: $24,077)

The cities where women had the highest median earnings were San Francisco/Oakland/Hayward ($50,000, 98 percent of men’s earnings) San Jose/Sunnyvale/Santa Clara ($47,941, 88 percent of men’s earnings), and Washington/Arlington/Alexandria ($43,500, 102 percent of men’s earnings).

It remains to be seen whether improved wage parity can be sustained as women age. Richard Fry of Pew Research reported, “…history suggests that [women] may not maintain this level of parity with their male counterparts. For example, in 2000, the typical woman age 16 to 29 working full time, year-round earned 88% of a similar young man. By 2019, when people in this group were between the ages of 35 and 48, women were earning only 80% of their male peers, on average. Earnings parity tends to be greatest in the first years after entering the labor market.”

**Weekly Focus – Think About It**

“What you see and what you hear depends a great deal on where you are standing. It also depends on

what sort of person you are.”

*—C.S. Lewis, author*

Best regards,

Scott J. LeClaire, CFP®, ChFC

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\* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.  However, the value of fund shares is not guaranteed and will fluctuate.

\* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

\* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.

\* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client’s portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.

\* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.

\* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

\* Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM.

\* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.

\* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.

\* The Dow Jones Industrial Average (DJIA), commonly known as “The Dow,” is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.

\* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.

\* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

\* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

\* The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

\* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

\* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

\* Past performance does not guarantee future results. Investing involves risk, including loss of principal.

\* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.

\* There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

\* Asset allocation does not ensure a profit or protect against a loss.

\* Consult your financial professional before making any investment decision.

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