

Home (<https://dreamwork.financial/>) » Research

(<https://dreamwork.financial/category/research/>) » Investing Hotsheet

(<https://dreamwork.financial/category/research/investing-hotsheet/>) » Investing Hot Sheet



**Published
October 24, 2022**

Stocks had the best week since June as earnings have held up, but could this just be another bear market rally?

If you're looking for past Investing Hot Sheets please visit our [Newsletter Archive \(/newsletter-archive/\)](#).

The Hot List

↑
H
O
T

1. Inflation

The Fed's preferred inflation gauge, PCE Index, will be released this Friday, Oct 28.

2. Federal Reserve

The October Beige Book was released (<https://www.federalreserve.gov/monetarypolicy/beigebook202210.htm>) on Wednesday showing several districts reported cooling in labor demand with some pricing easing noted.

3. Earnings

This week investors will hear from mega cap names like Apple, Microsoft and Alphabet. (<https://www.investors.com/news/economy/federal-reserve-meeting-wall-street-expects-yield-curve-control/>)

4. Interest Rates

Mortgage demand has dropped significantly as the average 30-year (<https://www.freep.com/story/money/business/michigan/2022/10/22/mortgage-demand-drops-to-new-low-30-year-interest-rates-average-7-15/69573534007/>) mortgage rate sits around 7.15%.

5. Geopolitics

The new U.K. finance minister reversed (<https://www.cnbc.com/2022/10/17/uks-new-finance-minister-sets-out-.html>) all the planned tax cuts. Here is a link (<https://www.aljazeera.com/news/liveblog/2022/10/22/russia-ukraine-live-news-kherson-residents-told-to-leave-city>) to the latest on the war in Ukraine.

Last Week

Monday: S&P 500 +94.88 (+2.65%) to 3677.95. UK reversed its tax policy.

Tuesday: S&P 500 +42.03 (+1.14%) to 3719.98. NAHB showed negative homebuilding sentiment.

Wednesday: S&P 500 -24.62 (-0.67%) to 3695.16. Beige book released.

Thursday: S&P 500 -29.36 (-0.80%) to 3665.78. Initial jobless claims fewer than expected (214K vs 233K).

Friday: S&P 500 +86.97 (+2.37%) to 3752.75. No economic releases.

S&P 500 [S&P] Technical Look

Potential Support: To the downside, look for support at 3600. If it drops below that then watch 3500 where the 200-week moving average currently sits.

Potential Resistance: To the upside, expect resistance at 3900 which has been such a critical area for the last few months.

Top Ideas

Technology

Military

Financials

Energy

Healthcare

Treasuries

My Take

Last week, I mentioned that the stock market was showing signs of selling exhaustion as investors can only sell so many times on the same piece of news. Investors may be coming to grips with higher inflation and a tough Fed but a negative earnings season could cause the next leg lower. However, after two weeks of earnings, the S&P posted its best week since June. The question is, does this have legs or is it just another bear market rally?

We may know the answer at the end of this week after hearing earnings from major heavyweights like Apple, Microsoft and Alphabet reporting. These companies hold high weighting in the market cap-weighted S&P, so their moves will surely impact the broader markets. With momentum building to the upside, if these companies can report better-than-expected numbers, stocks could be poised for a solid fourth quarter rally.

The other key is coming Friday with the Fed's preferred inflation gauge, PCE, being released. Ahead of the November Fed meeting a week and half away, the "data dependent" Fed will be looking for any reason to pause. Expectations are for another 75 basis point move but a hotter – or cooler – number could change that outlook.

It's poised to be another wild week for stocks, but a wild week that could present some great opportunities to buy – or sell – depending on your current strategy. If you need help, **contact me (<https://dreamwork.financial/contact/>)** to get your Investing Gameplan™, our proprietary investment management system.

Until next time,

Clint Kirby

Chief Financial Strategist

Investments involve risk and, unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein. Past performance is not indicative of future performance.

You Don't Have To Be Wealthy To Have Wealth Management®

A fiduciary is someone who holds a legal or ethical relationship of trust with one or more clients and is bound to take action in the clients' best interests.



IS A FEE-ONLY FIDUCIARY

Learn More [./research/fiduciary-101-what-you-need-to-know/](/research/fiduciary-101-what-you-need-to-know/).