

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



**Published**  
**February 28, 2022**

*Russia attacks Ukraine and is hit with sanctions. Fourth quarter GDP revised to 7%. The Fed's key inflation gauge hits highest since 1983.*

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

## The Hot List

### ↑ 1. Geopolitics

H  
O  
T

Ukraine, Russia agree to talks

(<https://www.aljazeera.com/news/2022/2/27/ukraine-russia-agree-to-talks-without-preconditions-zelenskiyy>) “without preconditions” along the Belarus border. Here is a list of the latest sanctions

(<https://www.aljazeera.com/news/2022/2/25/list-of-sanctions-on-russia-after-invasion>) on Russia from the West.

## 2. Inflation

PCE was up 5.2% (<https://www.cnbc.com/2022/02/25/pce-inflation-january-2022-.html>) from last January which was the largest annual gain since 1983.

## 3. Economy

The U.S. 4<sup>th</sup> quarter GDP was revised (<https://www.usnews.com/news/economy/articles/2022-02-24/gross-domestic-product-rose-7-in-the-fourth-quarter#:~:text=Feb.%2024%2C%202022%2C%20at%209%3A09%20a.m.&text=The%20American%20economy%20grew%20at,Economic%20Analysis%20reported%20on%20Thursday.&text=The%20rise%20in%20the%20nation's,2.3%25%20in%20the%20third%20quarter.>) up to 7%. U.S. personal spending rose (<https://www.marketwatch.com/story/u-s-personal-spending-rose-2-1-in-january-update-271645796739>) 2.1% in January. (<https://www.investors.com/news/economy/federal-reserve-meeting-wall-street-expects-yield-curve-control/>)

## 4. Federal Reserve

Fed Chair Powell testifies before lawmakers this week to determine how geopolitical risk impacts the Fed's current plan for raising rates.

## 5. Earnings

Investors will hear earnings from companies such as Zoom, Target and Kohl's this week.

# Last Week

**Monday:** Market Closed for President's Day.

**Tuesday:** S&P 500 -44.13 (-1.01 %) to 4304.74. Russia moves troops to Separatist regions of Ukraine.

**Wednesday:** S&P 500 -79.24 (-1.84 %) to 4225.50. Russia prepares to attack.

**Thursday:** S&P 500 +61.15 (+1.49%) to 4288.65. Russia attacks Ukraine. 4Q GDP was revised up to 7% from 6.9%.

**Friday:** S&P 500 +95.92 (+2.24%) to 4384.62. PCE rose to highest level since 1982. Personal

spending topped estimates.

## Technical Look

**Possible Support:** If the S&P 500 {S&P} drops from here, look for support near 4300. If it falls below that mark, then it would really need to hold 4200.

**Possible Resistance:** To the upside there are a few areas the S&P could see resistance. The first is the “just higher” at 4400 with the 20-day moving average around 4440. Then above that, there is the 200-day moving average before hitting another major level at 4500.

## My Watchlist

Defensive

Fintech

Luxury

Energy

Yield

Military

## My Take

The S&P continued its rollercoaster ride while investors grapple with a high level of uncertainty. However based on the bounce late last week, there is a chance that the worst may have already gotten priced into the market. The market was selling off around the speculation of a Russian invasion of Ukraine, so maybe things are a little more now that the invasion has occurred. In addition, there is a small chance that the Fed may have to be slightly less aggressive at the March meeting with the added geopolitical risk.

It's very easy to get caught up in all the negativity in the headlines, however there is a lot to be optimistic about regarding the overall economy. The fourth quarter GDP was just revised to 7%. Personal spending topped estimates and S&P earnings have come in ahead of expectations for the most part.

So yes, inflation is hotter than normal, but our economy is looking stronger than it was before the pandemic. In addition, a lot of the inflation right now is due to how hot the economy is where consumers aren't pushing back on price increases.

I don't expect the choppiness to go away any time soon, but this same choppiness is why the stock market generates higher historical returns than bonds, risk / reward.

The Russian / Ukraine situation will remain front and center for investors. The question is what kind of effect this will have on global markets, mainly energy prices, i.e., inflation. However, the market does have a way of discounting events like this assuming they are resolved rather quickly.

At this moment, I still think it's best to stick to your current game plan. If you are a conservative investor or have a shorter time horizon, you probably want to remain defensive. It's ok waiting for a little more clarity before increasing your risk. But if you are riskier or have a longer time horizon, you may want to lean into this volatility and grab some of your favorite beaten up growth names.

If you need help evaluating your investment strategy or would like me to manage your money, please contact **DreamWork Financial Group today.**

**(<https://dreamwork.financial/contact/>)**

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/).