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The FOMC will hold its July meeting. Mega cap technology is set to report. Second quarter GDP will be released. Can the rally continue?

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

The Hot List

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1. Inflation

Consumer prices were up (<https://www.bls.gov/opub/ted/2022/consumer-prices-up-9-1-percent-over-the-year-ended-june-2022-largest-increase-in-40-years.htm>) 9.1% from this time last year, which was the largest increase in 40 years.

2. Federal Reserve

The July FOMC meeting is coming up this week. It's widely anticipated that they will raise rates by 75 basis points.

3. Ukraine

Here is a link (<https://www.aljazeera.com/news/2022/6/26/russia-ukraine-live-news-indonesia-leader-to-visit-kyiv-moscow><https://www.aljazeera.com/news/2022/6/20/russia-ukraine-live-news-moscow-to-intensify-attacks-kyiv-liveblog>) to the latest in Ukraine. (<https://www.investors.com/news/economy/federal-reserve-meeting-wall-street-expects-yield-curve-control/>)

4. Earnings

Mega cap tech reports this week as investors will hear from Apple, Google, Microsoft and others.

5. Employment

Jobless claims hit (<https://www.cbsnews.com/news/initial-jobless-claims-highest-in-8-months-2022-07-21/>) an 8-month high as the labor market shows signs of weakening.

Last Week

Monday: S&P 500 -32.31 (-0.84%) to 3830.85. Apple announced it will slow hiring.

Tuesday: S&P 500 +105.84 (+2.76%) to 3936.69. Stocks staged a major turnaround as earnings season heats up.

Wednesday: S&P 500 +23.21 (+0.59%) to 3959.90. June's home sales missed expectations.

Thursday: S&P 500 +39.20 (+0.99%) to 3999.10. ECB raised rates 50 bps. Jobless claims and Philly Fed index reports both worse-than-expected.

Friday: S&P 500 -37.32 (-0.93%) to 3961.63. Preliminary PMI data released.

S&P 500 [S&P] Technical Look

Potential Support: To the downside, look for support at the 20-day moving average near 3820.

Potential Resistance: To the upside, expect resistance at 4000 and above it at 4100 if it breaks that key level.

Top Ideas

Healthcare

Growth

Tech

Military

Staples

My Take

The bulls appeared to take back some momentum before Friday's selloff. Now the S&P feels like it's in a neutral spot heading into next week's gauntlet of catalysts.

The main focus this week will be the Fed meeting. It is expected they will raise interest rates 75 basis points. But I wouldn't be shocked if they surprised everyone and raised them 100 points to make an effort to get ahead of the curve. Additionally, somewhere around 175 out of the 500 S&P 500 companies will report this week. This will be led by mega cap tech which represents a huge chunk of the index. And the 1st estimate of 3q GDP is coming out, which will be even more important now while recession fears are elevated.

Due to the number of catalysts upcoming, it seems tough to make too much of last week's move. So, now we have to ask ourselves yet again, is this another bear market / relief rally or could this be the start of a new bull market?

It seems clear that the economy is in a tough spot for the rest of the year. The Fed is on a mission to fight inflation through aggressive rate hikes – trying to slow demand to match supply. In addition, there are fresh COVID-19 and monkeypox concerns. And that doesn't account for the war in Ukraine that is still overhanging. Moreover, there is also a chance that much of those fears are reflected as consumer sentiment, which is now lower than the financial crisis.

The stock market has a way of bottoming before the economy bottoms, so if investors start to see glimmers of hope the rally could continue. This is why this week is extremely important as we will get great insight into the rest of the year. Between earnings, the Fed

and the GDP report, there should be plenty of clues to which way the economy is headed. If the data looks bullish, it's likely this rally could have legs, so you'll want to position yourself to take advantage. However, if the data looks bearish, it's likely that stocks could rollover and you may want to get more defensive yet again.

In the meantime, 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,

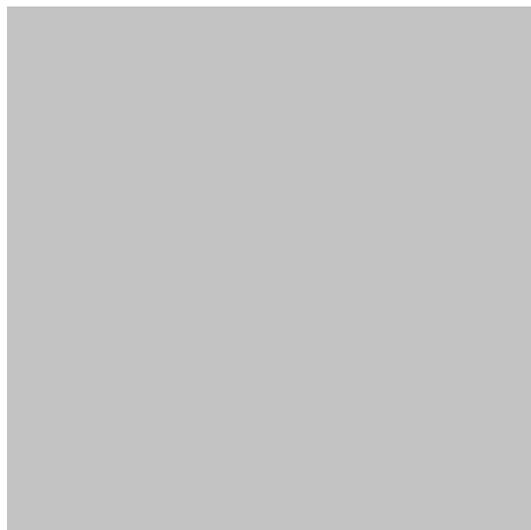
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