

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



**Published  
August 8, 2022**

*The strong July jobs report threw cold water on the recession debate. Now, the S&P is at crossroads where CPI may dictate the next move.*

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 highly anticipated July CPI report will be released on Wednesday.

## 2. Employment

The July jobs report was much stronger than expected as it doubled expectations (528K vs 250K).

## 3. Earnings

87% of the companies in the S&P 500 have reported (<https://insight.factset.com/sp-500-earnings-season-update-august-5-2022>) with 75% reporting above actual EPS estimates. (<https://www.investors.com/news/economy/federal-reserve-meeting-wall-street-expects-yield-curve-control/>)

## 4. 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.

## 5. China

Speaker Pelosi visited (<https://www.nytimes.com/2022/08/03/world/asia/pelosi-taiwan-china.html>) Taiwan to show support for their independence.

# Last Week

**Monday:** S&P 500 -11.66 (-0.28%) to 4118.63. ISM Manufacturing report was slightly stronger than expected. (52.8% vs 52.5% expected).

**Tuesday:** S&P 500 -27.44 (-0.66%) to 4091.19. JOLTS showed 10.69M job openings in June.

**Wednesday:** S&P 500 +63.98 (+1.50%) to 4155.17. ISM Non-Manufacturing was stronger than expected (56.7% vs 53.8% expected)

**Thursday:** S&P 500 -3.23 (-0.07%) to 4151.94. Weekly jobless claims were in line with expectations. 260K.

**Friday:** S&P 500 -6.75 (-0.16%) to 4145.19. July jobs report was much stronger than expected (528K vs 250K expected).

## S&P 500 [S&P] Technical Look

**Potential Support:** To the downside, look for support at 3900 which is also near the 20 and

**Potential Support:** To the downside, look for support at 3900 which is also near the 20 and 50-day moving averages.

**Potential Resistance:** To the upside, if the index can break 4150, look for resistance near 4300, which is prior resistance and where the 200-day moving average sits.

## Top Ideas

Growth

Tech

Military

Staples

Energy

## My Take

The S&P continues to move higher after July's nice run. Investors continue to search for clues of a recession but it's just not a foregone conclusion. Over 80% of the S&P 500 has reported and 75% have actually beat estimates. Friday's jobs report doubled the expectations for hiring in July, throwing even more cold water on the recession debate.

However, the strong jobs number also made the Fed's job much tougher just when they seemed to be getting comfortable with policy. They were poised for a .50% hike going into the report and now the odds are for another .75% at the next meeting. The upcoming CPI report will provide more clarity as this is the Fed's preferred measure of inflation.

Another wildcard that was introduced last week was Speaker Pelosi's trip to Taiwan which really irked China. It sounds like tensions may be cooling a bit but this situation has certainly raised market risk.

From a technical standpoint, the S&P remains near the key 4150 level looking to establish a new trading range. If it can breach that significantly, the 4300 level, which is near the 200-day moving average, seems like a logical next stop. However, if it fails to break that level, then 4150 could become the new top end of the range.

The highly anticipated CPI report this week will most likely dictate which way things go. A cooler number could signal that inflation has peaked and could send stocks higher, while a hotter number would do the opposite.

With the markets well off their lows, this would be a great time to review your portfolio and make sure you're well positioned for the wide range of outcomes that could happen from here.

Everyone has different risks and outlooks. Please reach out if I can help in any way (even if it's just a second opinion).

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,

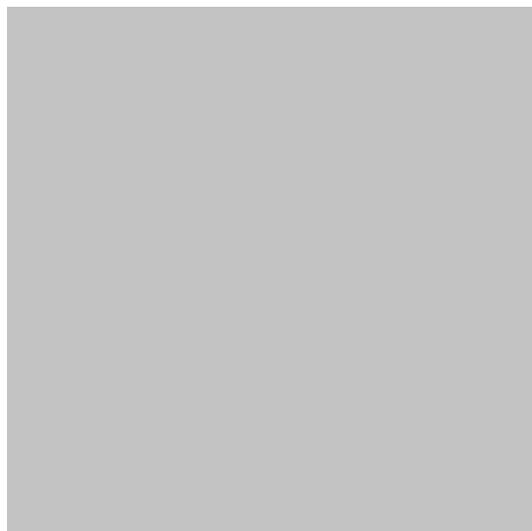
Clint Kirby

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/).