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*Can the rally continue after last week's inflation data? It's now up to consumer strength with this week's retail earnings and retail sales data.*

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## The Hot List

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### 1. Inflation

The July CPI report (<https://www.cnbc.com/2022/08/10/consumer-prices-rose-8point5percent-in-july-less-than-expected-as-inflation-pressures-ease-a-bit.html>) was cooler than expected with no change (0.00%) since last month. The July PPI report decreased -0.50% since last month.

## 2. Federal Reserve

The minutes from the most recent Fed meeting will be released on Wednesday.

## 3. Capitol Hill

The House passed (<https://www.cnbc.com/2022/08/12/house-to-vote-on-inflation-reduction-act-tax-and-climate-bill.html>) the bill dubbed the Inflation Reduction Act on Friday. President Biden signed (<https://www.cnet.com/tech/computing/biden-signs-chips-act-into-law-sending-53b-to-us-chipmakers/>) the CHIPS and Science act. (<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. Earnings

Retail heavyweights like Walmart and Target report earnings this week.

# Last Week

**Monday:** S&P 500 to -5.13 (-0.12%) to 4140.06. No major headlines.

**Tuesday:** S&P 500 -17.59 (-0.42%) to 4122.47. Biden signed CHIPS and Science Act.

**Wednesday:** S&P 500 +87.77 (+2.13%) to 4210.24. CPI report was cooler than expected.

**Thursday:** S&P 500 -2.97 (-0.07%) to 4207.27. PPI declined in July. Weekly jobless claims were in line with expectations.

**Friday:** S&P 500 +72.88 (+1.73%) to 4280.15. Preliminary consumer sentiment was better than expected.

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

**Potential Support:** To the downside, look for support at the 4150 level which has been key for a couple weeks. If it drops below that, expect support at the 50-day moving average near 3950.

**Potential Resistance:** To the upside, look for resistance near 4320 which is prior resistance and where the 200-day moving average sits.

## Top Ideas

Tech

Growth

Military

Staples

Energy

## My Take

Last week marked the fourth straight positive close for the S&P 500 as the recent bullish momentum continues. The S&P not only was able to finally close above the critical 4150 level but also above the key 4231 level as well. The 4231 level is important because it marks a 50% retracement from the lows to the highs. A close above that level is often very bullish as the downward trend is broken. However, be careful using metrics that have worked in the past as these times are certainly unprecedented.

The next level to watch is the 200-day moving average around 4320. If the S&P can close above that, then the bears may have to reconsider their positions.

This week we will get to a peak into the consumer as the major retailers report earnings and the retail sales report is released. Investors will also get clues on how aggressive the Fed will be at the upcoming meeting next month as the minutes will be released.

In the meantime, it feels like the momentum wants to continue with the next leg of the rally possibly being fueled by FOMO again. I expect the S&P to test the 200-day moving average if for no other reason than to firm up the top end of this new trading range. However, I'd be surprised if it were to close significantly above that level unless we get some good news about the underlying economy.

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,

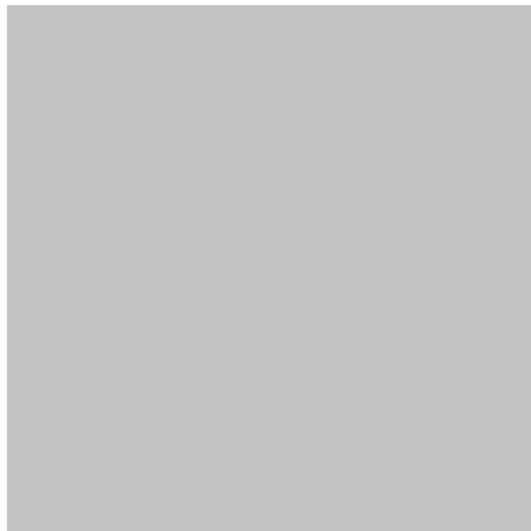
Clint Kirby

Chief Financial Strategist

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