

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

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

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



Published
August 22, 2022

The S&P hit a major resistance level. The Fed will meet at Jackson Hole. Key inflation data may determine which way markets go from here.

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 Personal Consumption Expenditures Price Index (PCE) will be released next week.

2. Federal Reserve

The most recent FOMC minutes showed (<https://www.cnbc.com/2022/08/17/fed-minutes-july-2022.html>) that hikes will continue until inflation eases substantially. Their annual Jackson Hole meeting is this week.

3. Capitol Hill

President Biden signed (<https://www.npr.org/2022/08/16/1117709411/biden-signs-sweeping-climate-health-care-tax-bill-into-law>) Inflation Reduction Act, setting 15% minimum corporate tax rate. (<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. Economy

Retail sales were flat (<https://www.cnbc.com/2022/08/17/retail-sales-july-2022.html>) in July despite lower gas prices.

Last Week

Monday: S&P 500 +16.99 (+0.40%) to 4297.14. Empire State Manufacturing survey was much worse-than-expected (-31.3 vs 5.0).

Tuesday: S&P 500 +8.06 (+0.19%) to 4305.20. July housing starts hit a 17-month low.

Wednesday: S&P 500 -31.14 (-0.72%) to 4274.06. Fed minutes were released. Retail Sales less-than-expected (0.0% vs 0.2%).

Thursday: S&P 500 +9.70 (+0.23%) to 4283.76. Jobless claims better-than-expected (250K vs 266K). Philly Fed also better-than-expected (6.2 vs -4.0).

Friday: S&P 500 -55.26 (-1.29%) to 4228.48. No major headlines.

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 at the 200-day moving average. If it can break that level, then 4400 should be the next area to watch.

Top Ideas

Tech

Growth

Military

Staples

Energy

Healthcare

My Take

It was the first time in five weeks for the S&P to close in the negative. Investors are reevaluating their positions after the index hit the 200-day moving average last week. The move off the June lows has been so sharp and swift it now has folks wondering if it has come too far too soon.

On one hand, it is looking likely that inflation may have peaked while the consumer remains strong and corporate earnings have remained stable. But on the other hand, it looks likely that inflation will remain higher for longer and some of the consumer strength may have to do with taking on more household debt.

So, while things aren't as bad as they seemed, things probably won't get back to the days of cheap money any time soon. The 10-year is back to 3% which not only weighs on stock valuations but also will weigh on housing prices, and the wealth effect for households, with the 30-year mortgage back near 6%.

This week should shine a little light on the Fed's next move as they have their annual Jackson Hole meeting. Expect plenty of market-moving comments coming out of that event. In addition to that, the PCE report, which is the Fed's preferred inflation metric will be released. So, expect rate talk to be front and center this week. Any sign that the Fed won't have to be as aggressive could help propel stocks past the 200-day moving average. But any sign that they may have to be more aggressive than expected could put a lid on this rally.

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/).