



Stocks fell for the second consecutive week as a round of fresh economic data stoked inflationary fears among investors.

The Standard & Poor's 500 Index declined 1.94 percent, while the Nasdaq Composite Index dropped 2.34 percent. The Dow Jones Industrial Average lost 1.86 percent. The MSCI EAFE Index, which tracks developed overseas stock markets, slipped 0.49 percent.^{1,2}

Inflation Stymies Markets

Stocks rallied broadly to start the week, but two economic reports on Tuesday—job openings and the prices-paid index among service companies—raised fresh inflation concerns. Higher Treasury yields also put pressure on stocks.^{3,4}

Stocks flattened out on Wednesday. Investors reacted to news that most Federal Open Market Committee members agreed inflation risks had increased, per minutes from the Fed's December meeting.^{5,6}

U.S. stock markets were closed Thursday in observance of President Jimmy Carter's funeral.

On Friday, a warmer-than-expected December jobs report caused investors to question whether the Fed will adjust rates in 2025. News that consumer sentiment ticked down also pushed stocks lower.⁷

MARKET INSIGHTS

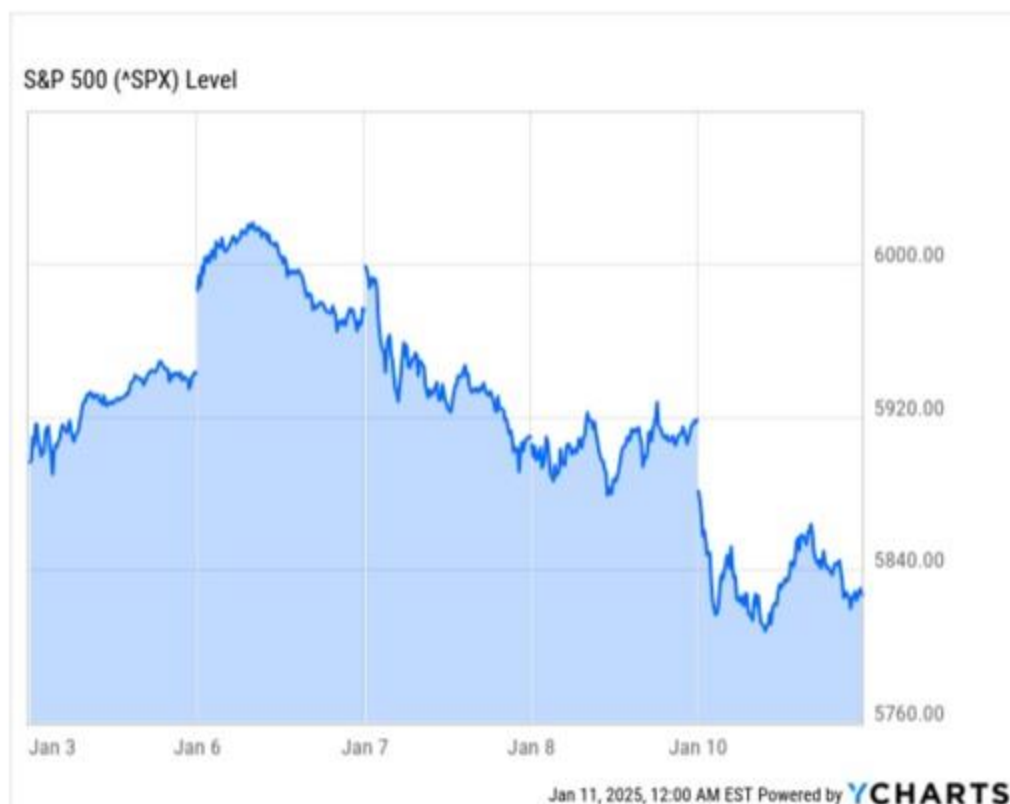


Weekly Market Insights (WMI)

Major Index Return Summary

Name	1M TR	YTD TR	1Y TR	5Yr TR
<u>Dow Jones Industrial Average</u>	-4.40%	0.25%	15.25%	64.28%
<u>MSCI EAFE</u>	-3.76%	0.44%	6.33%	29.66%
<u>Nasdaq Composite</u>	-1.86%	0.88%	32.17%	121.9%
<u>S&P 500</u>	-2.72%	0.65%	25.96%	96.86%

S&P 500 Daily Close



10-Year Note Review

Source: YCharts.com, January 11, 2025. Weekly performance is measured from Friday, January 3, to Friday, January 10. TR = total return for the index, which includes any dividends as well as any other cash distributions during the period. Treasury note yield is expressed in basis points.

When Good Becomes Bad News

The economy added 256,000 jobs in December—100,000 more than economists expected. That’s the second-highest monthly job gain for 2024. Unemployment ticked down to 4.1 percent, which was also better than anticipated.

Job growth and lower unemployment signals good news for the economy but bad news for the markets. A stronger jobs market puts less pressure on the Fed to adjust rates, especially with inflation top-of-mind among investors.^{8,9}

This Week: Key Economic Data

Monday: Treasury Statement.

Tuesday: Producer Price Index. Fed officials Jeffrey Schmid and John Williams speak.

Wednesday: Consumer Price Index. Fed officials Thomas Barkin, Neel Kashkari, John Williams, and Austan Goolsbee speak. Fed Beige Book.

Thursday: Retail Sales. Import and Export Prices. Business Inventories. Homebuilder Confidence Index.

Friday: Housing Starts and Permits. Industrial Production.

Source: Investors Business Daily - Econoday economic calendar; January 9, 2025

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

This Week: Companies Reporting Earnings

Wednesday: JPMorgan Chase & Co. (JPM), Wells Fargo & Company (WFC), BlackRock, Inc. (BLK), Citigroup Inc. (C), The Charles Schwab Corporation (SCHW)

Thursday: UnitedHealth Group Incorporated (UNH), Bank of America Corporation (BAC), Morgan Stanley (MS)

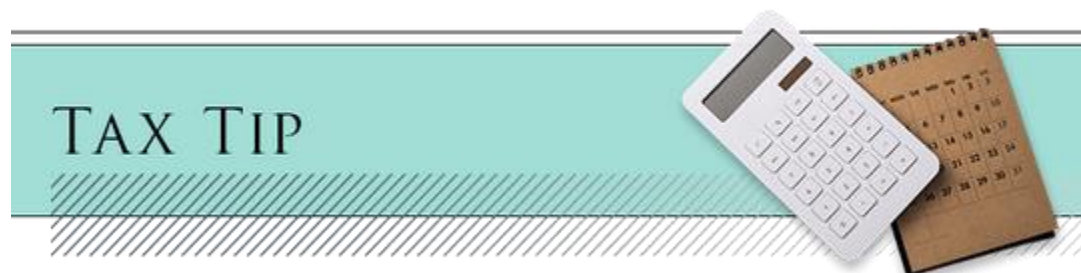
Source: Zacks, January 9, 2025. Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value

of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.



“The very least you can do in your life is to figure out what you hope for. And the most you can do is live inside that hope. Not admire it from a distance but live right in it, under its roof.”

- Barbara Kingsolver



Self-Employed Tax Obligations

There are a few tax considerations to consider when you work for yourself. Generally, you're required to file and pay estimated taxes during the year.

- Make quarterly payments if you've determined you need to use Form 11040-ES.
- Filing annually: If you're filing annually, you must use Schedule C to report income or loss. To file your Social Security and Medicare taxes, you should file Schedule SE Form 1040.

- **Deductions:** If you're using part of your home for business, you may be able to make certain deductions, such as for your office or a portion of your home's square footage used for business purposes.

This information is not a substitute for individualized tax advice. Please discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS¹⁰



Restorative Yoga: Long and Easy Stretching

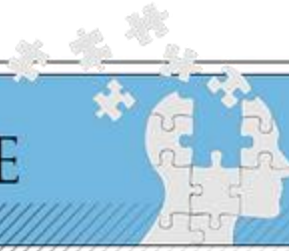
Whether you have been curious about yoga but have never tried it, or if you're a seasoned yogi looking for something new, restorative yoga has something for everyone. This gentle yoga uses props like blocks, blankets, and straps. Stretches and poses are held for a longer time, yielding many benefits. Here are a few ways that restorative yoga can be beneficial for many people:

- It can help with neck, lower back, hip, and shoulder pain
- It can help with insomnia
- All ages widely practice it, and modifications are available
- It can relax the mind and help with anxiety
- It may help to cope with serious illnesses and life events
- It may improve respiratory and circulatory function

Check your local yoga studios or gyms to enroll in a restorative yoga class. If you can't find one, there are online yoga courses you can try. It might be a stretch worth taking (ask your doctor if yoga might be right for you).

Tip adapted from Mindbodygreen.com¹¹

WEEKLY RIDDLE



Dave is at the hardware store to buy something for his house. Yesterday, he bought 1 for \$1. The week before, he purchased 10 for \$2, and his friend bought 100 for \$3. Today, he bought 907 for \$3. If the prices haven't changed, how is this possible?

Last week's riddle: David put on a white shirt with three large holes in it and went to the grocery store. No one gave him a funny look; no one objected to it. What kind of shirt was David wearing? Answer: A white t-shirt (the holes were the collar and sleeves of the shirt)

PHOTO OF THE WEEK





Surprise Glacier

Prince William Sound, Alaska

Footnotes and Sources

1. The Wall Street Journal, January 10, 2025

2. Investing.com, January 10, 2025

3. CNBC.com, January 6, 2025

4. The Wall Street Journal, January 7, 2025

5. CNBC.com, January 8, 2025

6. MarketWatch.com, January 8, 2025

7. CNBC.com, January 10, 2025

8. The Wall Street Journal, January 10, 2025

9. TradingEconomics.com, January 10, 2025

10. IRS.gov, September 30, 2024

11. Mindbodygreen.com, October 3, 2024



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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

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