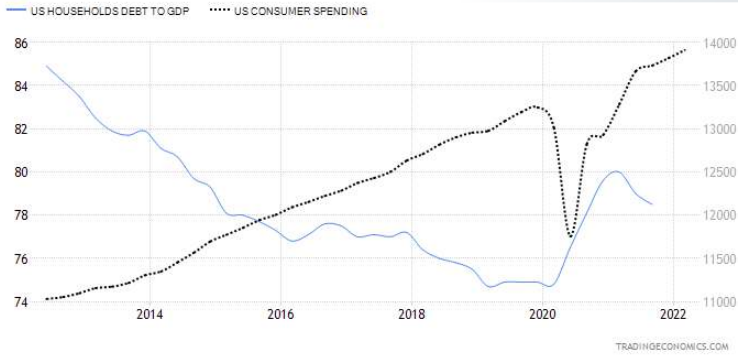




[TACTICAL] Another volatile week for equities led by another single-day decline above 3%, in contrast with the bond markets gaining 0.89% for the week. Sowell's tactical signal remains unchanged cautiously in neutral territory as VIX eased by the end of the week. Core economic fundamentals remain intact, defending the unlikelihood of a recession as consumer spending remains strong while U.S. household debt-to-GDP is below crisis levels. The latest 30-year Treasury bond auction with a yield of 2.997% may be an early indication interest rates will not be forceful.



Stocks rose on Friday but remained lower for the week, making the streak of weekly losses the longest since the 2008 financial crisis. Fears over inflation and an economic slowdown continued to weigh on the markets. Technology-heavy Nasdaq continued its underperformance relative to the Dow and the S&P 500. Crude oil prices fell early but rose to \$110 a barrel by week's end. Fed Chair Powell warned on Thursday that bringing inflation down to Fed's 2% target may not be achieved without some pain. The Fed raised its main interest rate by 50bps in the first week of the month and is expected to raise it again by the same amount in the next two meetings. U.S. consumer price inflation rose at an annual rate of 8.3% in April. Although a decline from the previous month, it came in above expectations. Government bonds rallied during the week as interest rates dropped, driven by haven buying as fears of recession rose. The yield on the 10-year Treasury note dropped for the week to end above 1.9%. Despite the price rise on Friday, cryptocurrencies have had a tough ride this year.

This week, we will gauge the housing market with data on housing starts and existing home sales for April, released on Wednesday and Thursday. Both numbers are expected to come in lower. The U.S. received the latest inflation numbers last week, and this week, the eurozone will see theirs. It will be watched carefully to see how inflation globally is shaping up. Inflation in the eurozone has been running at the highest level since the introduction of the Euro in 1999. Retail sales numbers for the U.S. will also be

Bitcoin Price History



Cryptocurrencies surged in price during the pandemic. The first cryptocurrency and the most popular, Bitcoin hit an all-time high of over \$60,000 just last November. With a sell-off that has accelerated in recent weeks, Bitcoin is now trading at less than half of its all-time high. Cryptocurrencies have been caught up in the sell-off affecting broader markets. The fear that the Fed will need to be aggressive in raising rates to bring in inflation has caused risky assets to fall, including equities and cryptocurrencies. Advocates saw Bitcoin as an inflation hedge. As inflation soared, so would the price of Bitcoin. But there is little data to suggest that as Bitcoin was only created over a decade ago. The outlook for cryptocurrencies will continue to be tied to broader market sentiment. Dramatic falls in the prices of cryptocurrencies might also alarm policymakers, leading to more regulation. Source: Yahoo Finance

reported for April. Consumer spending accounts for two-thirds of the U.S. economy. Thus, it's an important indicator of the health of the U.S. economy. The growth in retail sales is expected to have increased in April despite rising costs. Earnings from several notable companies will also be reported. Major retail companies such as Walmart, Target, Home Depot, and Lowe's are expected to report.

MON MAY 16, 2022
US Foreign Buying, T-bonds
NY Empire State Mfg Index
Euro Zone Trade Balance
Take-Two Interactive, Tower Semiconductor, and Warby Parker earnings
TUE MAY 17, 2022
Retail Sales
Industrial Production
Business Inventories
Baidu, Home Depot, and Walmart earnings
WED MAY 18, 2022
Housing Starts
Mortgage Market Index
Euro Zone CPI and Core CPI
Analog Devices, Bath & Body Works, Cisco, Copart, Lowe's, Target and TJX earnings
THU MAY 19, 2022
Initial jobless claims (weekly)
Continuing jobless claims
Existing Home Sales
US Leading Index
Applied Materials, BJ's Wholesale Club, Citrix Systems, Palo Alto Networks, and Ross Stores earnings
FRI MAY 20, 2022
Booz Allen Hamilton, Deere, and Foot Locker earnings

	SELECT INDICES					
	YTD Daily	1 Wk Daily	1 Mo Daily	3 Mo Daily	1 Yr Daily	3 Yr Annualized Daily
S&P 500 Index	(15.12)	(2.35)	(9.40)	(8.58)	(0.76)	14.60
S&P 500 Growth Index	(23.14)	(3.02)	(12.46)	(12.82)	(3.05)	15.79
S&P 500 Value Index	(6.17)	(1.73)	(6.40)	(4.29)	0.82	12.05
NAZDAQ Composite	(24.35)	(2.77)	(13.42)	(14.23)	(9.45)	16.54
Bloomberg US Agg Bond	(9.71)	0.89	(1.91)	(6.49)	(8.45)	0.14
Bloomberg Long Term US Treasury	(20.60)	1.92	(5.29)	(15.04)	(12.86)	(0.78)
Basic Materials	(8.76)	(2.68)	(8.63)	(1.40)	(2.62)	18.45
Communication Services	(25.97)	(0.35)	(13.16)	(15.68)	(22.02)	7.97
Consumer Cyclical	(26.32)	(3.61)	(15.58)	(16.48)	(13.28)	14.22
Consumer Defensive	(0.37)	0.19	(3.30)	2.72	10.60	15.06
Energy	44.40	(3.19)	0.21	15.40	61.72	14.22
Financial Services	(14.97)	(3.18)	(9.64)	(15.46)	(11.20)	9.54
Healthcare	(11.08)	(0.85)	(8.85)	(3.09)	1.48	14.62
Industrials	(13.50)	(2.53)	(7.42)	(6.62)	(9.58)	9.74
Real Estate	(16.04)	(3.17)	(11.13)	(5.66)	3.58	6.72
Technology	(24.45)	(3.22)	(11.33)	(14.10)	0.79	22.94
Utilities	0.37	(1.04)	(5.90)	7.28	11.96	9.47