

**Index Returns
Year-to-Date**
As of 4/29 close

S&P 500: -12.92%
Dow Jones: -8.73%
Nasdaq: -21.00%
Agg Bond: -9.50%
Muni Bond: -8.72%



EWM A.M. Cup of Joe

ASSET MANAGEMENT

Edition 9 – Week of May 2nd



Our weekly blend of information to maintain your trust and help you easily understand what we're seeing & doing based on the financial markets this week.



I. The Beans – the foundation of this week's analysis



The Grounds – Market Update

- All 11 sectors were negative last week, with Consumer Discretionary performing the worst. Led by Amazon's surprising \$4B loss and forecast of weaker revenue growth for the remainder of the year, the sector fell over 7% as Amazon dropped 14% on Friday – its biggest loss since 2006.
- April was the worst performing month so far this year. The Nasdaq fell over 13%, its worst performance since October 2008. The S&P 500 dropped 8.8% for its biggest monthly slide since March 2020 and the Dow Jones fell 3.9%.



The Brew – Economic Update

- Quarter 1 U.S. GDP shrunk 1.4% at an annualized rate led by a widening trade deficit (more imports than exports). Consumer spending, business investments and durable good purchases all remained solid providing some positivity amidst the recent turmoil.
- This week, the Fed is expected to raise interest rates again. It is projected that they will raise rates by .5%, but their announcement regarding their plans to continue to reduce their balance sheet may have a greater impact on the U.S. Markets.

II. The Aroma – highlights of market activity

The S&P 500 – Year to Date

- Performance of the S&P 500 for the year can be seen below, with April taking us back to Feb. lows. Buying on the way down (end of Feb and beginning of March) and selling on the way up (throughout March) can help capture returns rather than being passive and holding throughout the entire timeframe.
- All 3 major equity indices are at or around year lows. After a strong month of March, the equity markets took a turn for the worse and all dropped drastically in a short time frame. Volatility is expected to continue, but our active approach strives to produce stronger returns than just buying and holding.



* Courtesy of stockcharts.com

Decaf Blend Easy Points to Understand

- April experienced some of the worst monthly returns
- Earnings from Amazon and Apple steer others negative
- Purchase of a large cap ETF
- Purchase of a small cap ETF



Click [here](#) for yesterday's Shot Clock Market Minute

Have questions about your portfolio? Contact a member of our Asset Management Team!

III. The Cream & Sugar – EWM’s activity and Chart of the Week



What We’re Doing

Security	Action	Description
Vanguard Russell 2000 ETF (VTWO)	Buy	Purchasing a position in a small-cap fund after the recent market pullback. Sold short-term fixed income to raise cash as certain bonds have held up better than others.
Schwab US Large-Cap ETF (SCHX)	Buy	Purchasing a position large-cap equity fund following selloff in the market. Sold more short-term bond positions to increase cash and buy SCHX.

CHART OF THE WEEK

COMPANY	<i>International Business Machines (IBM)</i>
SECTOR	<i>Technology</i>
INDUSTRY	<i>Computer Services</i>
ANALYSIS	<i>Historically successful company that provides investors with 4.8% dividend yield. Recently reported positive earnings and strong guidance for the rest of the year. The chart has seen a pullback off its high but is holding support at 20 day Moving Average (Green line) and 50 day Moving Average (Blue line).</i>



Disclosures

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The Double Shot of Espresso – Information to boost your Cup of Joe



Read J.P. Morgan’s [“Weekly Market Recap”](#) for their latest update and note the following:

- “The week in review” in the top left of the page
- “Weekly Data Center” for the Index Returns over various timeframes
- S&P 500 Sector Returns in the bottom right corner for YTD and last week’s performances

Read TD Ameritrade’s [“Macro Monday”](#) for an insight into technical analysis and focus on:

- “Recapping Last Week” in the middle of the page
- The Chart of the Week at the bottom to learn more about general techniques as they describe their chart of the week



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