Weekly Market Commentary
March 14, 2022

The Markets

Investor optimism is quite low.

In just two weeks, the war in Ukraine has changed the status of 1.3 million people – approximately the number of people who live in Philadelphia or Phoenix – from citizen to refugee, reported Rachel Pannett and colleagues at *The Washington Post*.

Investors have been sharply focused on the shorter-term implications of the war, which include slower economic growth and rising inflation as commodity prices soar, supply chains falter and some goods become more scarce, reported Matt Peterson of *Barron's*.

The Standard & Poor's 500 Index and Dow Jones Industrial Average are both in correction territory, down roughly 10 percent from previous highs. The Nasdaq Composite is down 20 percent from its prior peak, putting it in bear market territory, reported Nicholas Jasinski of *Barron's*.

"What we have seen so far is an indiscriminate sell-off, particularly of European equities but also globally…Extremely defensive sectors that were not affected by the crisis have been sold heavily," commented a source cited by Francesca Friday and colleagues at *Financial Time*s.

Last week, though, investors appeared to take a deep breath and begin to reassess.

Major indices in the United States and Europe fell early in the week before reversing course. By the end of the week, stock indices in London, Frankfort, Paris and Milan had regained lost ground. However, U.S. indices finished the week lower after inflation numbers for February were released and talks between Ukraine and Russia failed to produce results.

Inflation in the U.S. rose 0.5 percent in February, excluding energy and food. That was a slower increase than the U.S. saw in December or January. However, with food and energy, which have risen sharply due to the war, inflation was up 0.8 percent and that was higher than December and January numbers. Overall, excluding energy and food, consumer prices were up 6.4 percent over the last 12 months.

The Federal Reserve is expected to raise interest rates this week as it tightens monetary policy to lower inflation.

During the last two years, the world has experienced enormous change. The COVID-19 pandemic led to rapid growth of e-commerce, a new work order (emphasizing work-from-home), innovation in cell and gene therapies (vaccines), and a rethinking of global supply chains. Some of these changes created opportunities for investors. Now, the war in Europe is layering on a new set of changes that have implications for defense, cybersecurity, energy and, possibly, other sectors of the market.

It can be difficult to remember during periods of upheaval but change often is accompanied by opportunity.

Data as of 3/11/22	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	-2.9%	-11.8%	6.7%	14.7%	12.1%	11.9%
Dow Jones Global ex-U.S. Index	-1.3	-11.6	-10.4	3.8	3.5	2.8
10-year Treasury Note (yield only)	2.0	N/A	1.5	2.6	2.6	2.0
Gold (per ounce)	1.7	8.7	14.8	15.2	10.4	1.5
Bloomberg Commodity Index	-0.5	27.5	46.5	16.3	8.4	-1.3

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.
Sources: Yahoo! Finance; MarketWatch; djindexes.com; U.S. Treasury; London Bullion Market Association.
Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

WHERE ARE WOMEN TREATED LIKE MEN? Each year, *The Economist's* Glass Ceiling Index (GCI) evaluates 10 metrics to determine "where women have the best…chances of equal treatment at work." In 2021, the answer was Sweden, Finland, Iceland and Norway. The United States dropped two spots last year, ranking 20th of the 28 countries in the Index.

The U.S. was above average for:

- **Women's participation in the labor force:** Women's participation rate in the labor force was just 10.5 percent lower than the rate for men. The OECD (Organization for Economic Co-operation and Development) average was 15.6 percent lower.
- **Women taking graduate school entrance exams:** 39 percent of GMAT exams were taken by women in 2021. The OECD average was 38 percent.
- **Women in management:** Women held 41.1 percent of managerial positions in the United States. The OECD average was 33.7 percent.
- **Women on company boards**: Women held about 29.7 percent of board seats. The OECD average was 28 percent.

The U.S. was below average for:

- **How much women are paid compared to men**: Women earned 17.7 percent less than men. The OECD average was 11.6 percent less.
- **Net childcare costs as a percent of income**: Net childcare expenses were 23 percent of the average wage. The OECD average was 15 percent.
- **Paid leave for mothers**: Maternity leave depends on company policy in the United States, so it was scored as zero. The average in the OECD is 33.7 weeks.
- **Paid leave for fathers**: Paternity leave depends on company policy in the United States, so it was scored as zero. The average in the OECD is 5.1 weeks.
- **Women in government**: Women hold 27.7 percent of the seats in the United States House of Representatives. The OECD average is 33.1 percent of government seats held by women.

A recent report from Citigroup estimated that, "Achieving gender parity in business growth could increase global [economic growth] by up to $1.6 - $2.3 trillion, or around 2-3% of global GDP," and create millions of jobs.

Weekly Focus – Think About It
"Be fearful when others are greedy and greedy when others are fearful."

—Warren Buffett, The Oracle of Omaha

Best regards,

Victor Levy for Levy Wealth Management Group

Levy WEALTH MANAGEMENT GROUP
1818 Market St | Suite 3232 | Philadelphia, PA 19103
Main: 215-875-8720 | Fax: 215-875-8756
info@levywealth.com
www.levywealth.com

* These views are those of Carson Coaching, and not the presenting Representative or the Representative's Broker/Dealer, and should not be construed as investment advice.
* This newsletter was prepared by Carson Coaching. Carson Coaching is not affiliated with the named broker/dealer.
* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
* All indexes referenced are unmanaged. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.
* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
* Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
* The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
* Past performance does not guarantee future results. Investing involves risk, including loss of principal.
* You cannot invest directly in an index.
* Stock investing involves risk including loss of principal.
* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.
* There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.
* Asset allocation does not ensure a profit or protect against a loss.
* Consult your financial professional before making any investment decision.
* To unsubscribe please reply to this email with "Unsubscribe" in the subject line.

Securities offered through LPL Financial, Member of FINRA/SIPC. Investment Advice offered through Levy Wealth Management Group, a registered investment advisor and separate entity from LPL Financial.

Sources:
https://www.aaii.com/sentimentsurvey
https://www.washingtonpost.com/world/2021/12/07/russia-ukraine-biden-putin-call/ (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2022/03-14-22_Washington%20Post_Russia%20is%20at%20War%20with%20Ukraine_2.pdf)
https://www.barrons.com/articles/vladimir-putin-russia-ukraine-war-51647050502?mod=hp_HERO (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2022/03-14-22_Barrons_Putins%20War%20Will%20Change%20the%20World_3.pdf)
https://www.barrons.com/articles/volatility-stocks-to-buy-51647046100?mod=hp_LEAD_1 (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2022/03-14-22_Barrons_Stocks%20are%20Full%20of%20Fear_4.pdf)
https://www.ft.com/content/489ccf83-6a26-4727-8a4b-47a24cbe7bcf (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2022/03-14-22_Financial%20Times_US%20Stocks%20Suffer%20Worst%20Week%20Since%20January_5.pdf)
https://www.marketwatch.com/story/u-s-stock-futures-drop-ahead-of-cpi-with-oil-prices-rising-no-progress-in-ukraine-russia talks-11646910858
https://www.bls.gov/news.release/cpi.nr0.htm
https://www.cnbc.com/2022/03/11/federal-reserve-expected-to-raise-interest-rates-in-week-ahead.html
https://www.prnewswire.com/news-releases/women-are-still-not-having-it-all-according-to-the-economists-2022-glass-ceiling-index-301496800.html
https://www.economist.com/graphic-detail/glass-ceiling-index (*or go to* https://resources.carsongroup.com/hubfs/WMC-Source/2022/03-14-22_The%20Economist_The%20Economists%20Glass%20Ceiling%20Index_10.pdf)
ir.citi.com/gps/4tvkohSoc%2Bv614IZGyo19dc5yiov31GLehre8t4YkGPkZycemOaPeOM9l5RWRhQN5o5udyLrgyc%3D
https://www.goodreads.com/quotes/29255-be-fearful-when-others-are-greedy-and-greedy-when-others