

In this week's recap: Ukrainian War impacts global economy.

Weekly Economic Update

Presented by Midland Wealth Management, March 14, 2022

THE WEEK ON WALL STREET

Intensifying hostilities in Ukraine continued to unsettle markets, as investors grappled with the war's impact on the global economies.

The Dow Jones Industrial Average lost 1.99%, while the Standard & Poor's 500 dropped 2.88%. The Nasdaq Composite index fell 3.53% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, gained 0.90%.^{1,2,3}

MARKETS REMAIN STRESSED

Markets gyrated last week as Russia escalated its attacks on Ukraine, the U.S. banned imports of Russian oil, and more companies announced the suspension of business in Russia. Eastern Europe has added complexity to the Fed's plans for raising interest rates to manage accelerating inflation, which has been exacerbated by a sharp rise in energy and other commodity prices.

The stock market saw brief moments of respite. Stocks rallied Tuesday on a news report that Ukraine would promise not to pursue NATO membership, but lost momentum before the close. Stocks rallied on Wednesday as oil prices tumbled, but were unable to follow-through on Thursday and then faded further into Friday's close.

A FOUR-DECADE HIGH

Consumer prices rose 0.8% in February as energy and commodity prices pushed higher. This latest monthly report showed a year-over-year inflation rate of 7.9%, the highest level since January 1982. Excluding the more volatile food and energy prices, the 12-month increase was 6.4%, a slight bump from last month's 6.0% year-over-year increase.⁴

Many economists hoped that inflation pressures would ease, but February's inflation number suggested that the impact of sanctions and supply-chain disruptions due to the invasion of Ukraine may likely feed further price increases for the foreseeable future.

TIP OF THE WEEK



What do your children know about money? There's never a wrong time to talk to your children about its value and impact.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Producer Price Index.

Wednesday: Retail Sales. Federal Open Market Committee (FOMC) Announcement.

Thursday: Housing Starts. Jobless Claims. Industrial Production.

Friday: Existing Home Sales. Index of Leading Economic Indicators.

Source: Econoday, March 11, 2022

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.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Monday: Coupa Software, Inc. (COUP).

Thursday: FedEx Corporation (FDX), Dollar General Corporation (DG).

Source: Zacks, March 11, 2022

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.

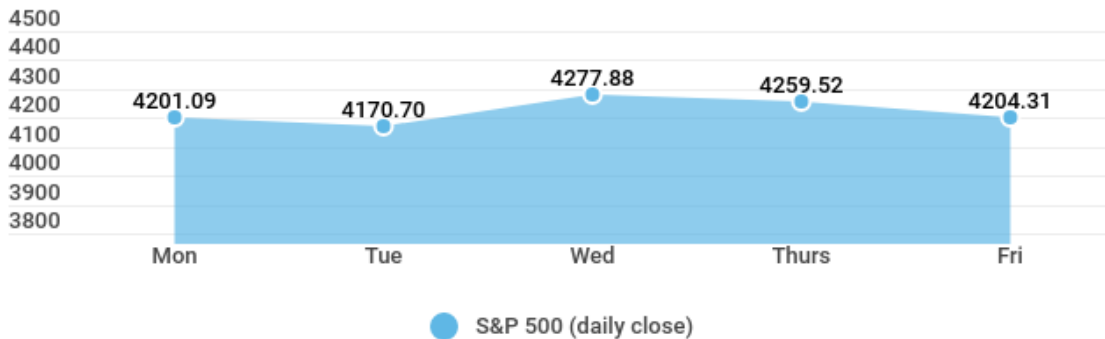
QUOTE OF THE WEEK




“The strongest of all warriors are these two — Time and Patience.”

LEO TOLSTOY

Market Index	Close	Week	Y-T-D
DJIA	32,944.19	-1.99%	-9.34%
NASDAQ	12,843.81	-3.53%	-17.90%
MSCI-EAFE	2,053.78	+0.90%	-12.08%
S&P 500	4,204.31	-2.88%	-11.79%



	Treasury	Close	Week	Y-T-D
	10-Year Note	2.00%	+0.25%	+0.48%

Sources: The Wall Street Journal, March 11, 2022; Treasury.gov, March 11, 2022

Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, March 4, to Friday, March 11, close. Weekly performance for the MSCI-EAFE is measured from Friday, March 4, open to Thursday, March 10, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



You are at sea, it is mid-July, and your ship has reached a unique spot on earth. If you sail north, it will be summer; if you sail south, it will be winter. If you sail east, it will be Friday, but if you sail west, it will be Saturday. Precisely where in the world are you? (Hint: your ship is in the Pacific Ocean, near the island nation of Kiribati.)

LAST WEEK'S RIDDLE: There is a word (four letters long) that begins with the letter I. If you put the letter A at the front of this four-letter word, it becomes a five-letter word which is pronounced exactly the same. Name both words?

ANSWER: Isle and Aisle.

Midland Wealth Management may be reached at 1-888-637-2120 or midlandsb.com/wealthmanagement.

Please mark wealthmanagement@mkt-midlandsb.com as an approved sender in your email to receive our communications.

Midland Wealth Management is a trade name used by Midland States Bank and its subsidiary Midland Trust Company. Investments are not insured by the FDIC or any other government agency, are not deposits or obligations of the bank, are not guaranteed by the bank or any federal government agency, and are subject to risks, including the possible loss of principal.

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.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

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.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

This content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG is not affiliated with the named representative, financial professional, Registered Investment Advisor, Broker-Dealer, nor state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and they should not be considered a solicitation for the purchase or sale of any security.

Copyright 2022 FMG Suite.

CITATIONS:

1. The Wall Street Journal, March 11, 2022
2. The Wall Street Journal, March 11, 2022
3. The Wall Street Journal, March 11, 2022
4. The Wall Street Journal, March 10, 2022