



- Spurred by inflation fears, Equity markets experienced significant volatility this past week. The S&P 500 dropped a cumulative 4% by market close Wednesday before bouncing back on Thursday and Friday to end the week down 1.35%.
- The Labor Department reported that core consumer prices rose 0.9% month-over-month – triple analysts’ expectations of 0.3%. CPI, a measure of inflation, rose 4.2% over the trailing 12-month period – its largest increase in nearly 12 years.
- The Federal Reserve believes the rapid rise in inflation is temporary and signaled its intent to keep the Fed Funds rate low.

Figure 1. Index Performance

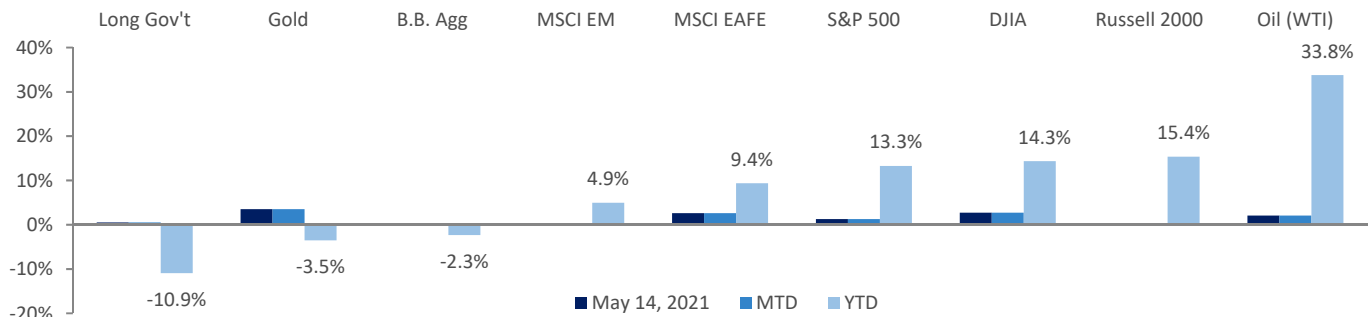


Figure 2. S&P 500 Sector Performance

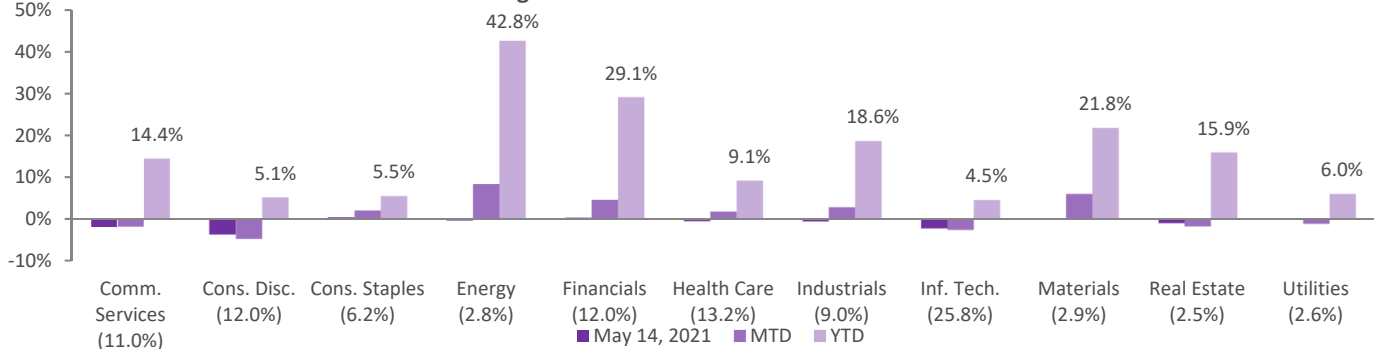
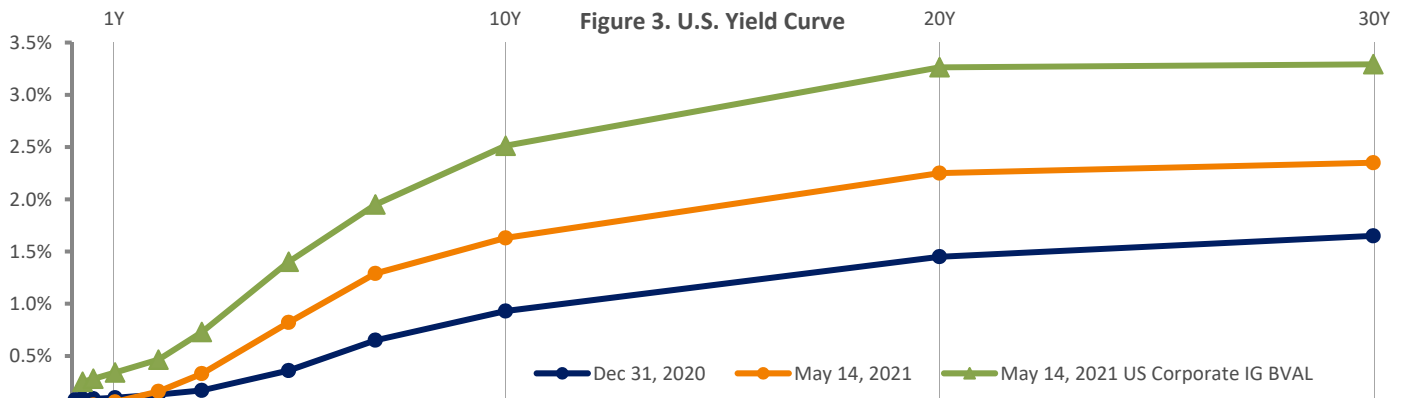


Figure 3. U.S. Yield Curve



Data Source: Bloomberg

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