



THINGS TO WATCH

–FEBRUARY INFLATION DATA: The release of consumer price index (CPI) data for February on Tuesday will likely be the most significant remaining data point for the U.S. Federal Reserve's policy-setting committee ahead of its March 21-22 meeting. On the heels of a stronger-than-expected February nonfarm payrolls report last week (313,000 vs. 225,000 estimate), equity markets will probably need to see the monthly CPI figure match or come in lower than the 0.4% estimate to recover from recent declines

–SILICON VALLEY AFTERSHOCKS: Markets will be on guard for any reverberations emanating from last week's sudden failure of Silicon Valley Bank, a California-based lender that specialized in financing the venture capital industry. State banking regulators took possession of the bank Friday and placed it in receivership under the Federal Deposit Insurance Company (FDIC), marking the biggest bank failure since Washington Mutual in 2008. U.S. Treasury Department officials have said the banking system is resilient but signs of liquidity pressures or deposit runs spreading to other small or medium-sized banks are being monitored.

–CONSUMER SPENDING HANGOVER? U.S. retail spending in February is expected to have declined 0.2% following a 3.0% surge in January. February is traditionally a slow month for consumer spending due to cold weather and a post-holiday season reversion in expenditures.

–A GRAB BAG OF CORPORATE EARNINGS: This week's headliners will be marketing and design software firm Adobe (ADBE) on Wednesday and airfreight and logistics giant FedEx (FDX) on Thursday. Homebuilder Lennar (LEN) reports on Tuesday, while discount retailer Dollar General (DG) and home furnishings retailer Williams-Sonoma (WSM) both report on Thursday.

LAST WEEK'S ECONOMIC DATA	LATEST	3MO PRIOR	CHANGE
JOLTS Job Openings (Millions)	10.82	10.47	▲
Non-Farm Payrolls (Thousands)	311	290	▲
Unemployment Rate	3.6%	3.6%	▲
Average Hourly Earnings (Y/Y)	4.6%	5.0%	▼
Consumer Credit (\$ billion)	14.8	35.0	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	31909.64	-4.44%	-3.73%	-3.81%
NASDAQ	11138.89	-4.71%	6.42%	-15.16%
S&P 500	3861.59	-4.55%	0.58%	-9.34%
MSCI EAFE	2062.92	-0.37%	6.12%	0.44%
Bbg Barclays Aggregate US	2054.63	0.01%	0.29%	-8.42%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	4.87%	4.73%	0.36%
10-Year Treasury	3.70%	3.73%	1.99%

REPORTS DUE THIS WEEK	LATEST
NFIB Small Business Optimism	90.3
Consumer Price Index (Y/Y)	6.4%
Core Consumer Price Index (Y/Y)	5.6%
Producer Price Index (Y/Y)	6.0%
Core Producer Price Index (Y/Y)	5.4%
Retail Sales (M/M)	3.0%

Price returns are as of 3/10/23. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

NUMBERS OF THE WEEK

-15.73%

Last week's decline in the KBW Bank Index precipitated by the failure of Silicon Valley Bank, a lender focused on financial venture capital firms and their portfolio companies. Signature Bank (SBNY), Western Alliance Bancorp (WAL), and First Republic Bank (BRC) all suffered weekly declines of at least 33%. Meanwhile, shares of JPMorgan Chase (JPM), Citigroup (C), and Bank of New York Mellon (BK) experienced the shallowest weekly losses (between 7% and 8%) of the KBW Bank Index's 24 members.

48 basis points

The downward move in yields on the U.S. 2-year Treasury note from last Wednesday's close (5.07%) to Friday's close (4.59%). Yields on the 10-year maturity declined by a smaller magnitude over this two-day period from 3.99% to 3.70%. Fed funds futures markets went from pricing a September Fed policy rate of 5.69% on Wednesday to 5.18% on Friday afternoon.



MainStreet Investment Advisors, LLC is an investment adviser registered with the Securities and Exchange Commission and a wholly-owned subsidiary of Fifth Third Bank, National Association. Opinions herein are as of the publication date and are subject to change without notice. This report may include "forward-looking statements" which may or may not be accurate over the long term. The week is calculated beginning with Monday's market open. Report includes candid statements and observations regarding investment strategies, asset allocation, individual securities, and economic and market conditions. Statements, opinions or forecasts are not guaranteed. Do not place undue reliance on forward-looking statements. Actual results could differ materially from those described. This material is not intended to be used as a general guide to investing, or as a source of any specific investment recommendations, and makes no implied or express recommendations concerning the manner in which any client's account should or would be handled, as appropriate investment strategies depend upon the client's investment objectives. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy/sell any security or instrument or to participate in any trading strategy. Indexes and sector statistics are unmanaged and are a common measure of performance of their respective asset classes. Indexes are not available for direct investment. Past performance is not indicative of future results. The value of investments and the income derived from investments can go down as well as up. Future returns are not guaranteed, and a loss of principal may occur. Investing for short periods may make losses more likely. Not a deposit, not FDIC insured, may lose value, not bank guaranteed, not insured by any federal government agency.