MOULTON WEALTH MANAGEMENT INC.

MOULTON HOT MINUTES

SPECIALIZING IN RETIREMENT AND TAX PLANNING

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Week of November 14, 2022

Last week's newsletter reviewed Fed pivots (i.e. stopping their rate hikes and/or cutting rates) and noted they historically don't stop market declines. As such you shouldn't hope for them to rescue you. You can read it here *Newsletter - Moulton Wealth*.

Last week CPI came in at +7.7% October 2022 vs October 2021. Although still the highest in some 40 years outside of 2022, it created both a stock and bond buying spree. The Dow rose +3.7%, the S&P-500 rose +5.5% and the NASDAQ rose +7.4% on Thursday alone. Many Wall

Street experts speculated that such a big gain was very bullish and warned investors that they needed to pile in if they weren't already.

Although tempting to believe, is that true?

First, keep in mind that most big single day moves happen in bear markets, not bull markets. In fact, during the Great Financial Crisis bear market spanning some 17 months, there were 46 days the S&P-500 gained more than +2%, 30 days it gained more than +3% and 8 days it gained more than +5%, all within a -57% top to bottom decline. The biggest daily gain was +14.52%, yet it wasn't at the end of the bear market.

Please see our new website www.MoultonWealth.com. Of the many improvements, the most important is we now host podcasts of past radio shows, allowing you to listen at your convenience. You can also read all the past newsletters and take the test to find your Risk Number.

Compare that to 2021, which was a very bullish year for stocks with the S&P-500 gaining about +27% for the year. It had only 3 days with the market up over +2% and no days up more than +3%.

Clustering big moves up or down is a sign of higher volatility and should be a warning for investors. It's bearish, not bullish.

The NASDAQ represents mostly technology companies. As noted earlier, it rose a full +7.4% on Thursday. The table on the following pages is from NDR research. It shows the 18 times since 1987 that the NASDAQ gained +7% or more in a single day. It then shows what the returns were going forward.

The variance of future returns over the next 12 months after this type of big positive day is huge. The best was up +74.74% and the worst was down -51.11%. The mean was +4.45% but the median was -12.18%. It's difficult to conclude what, if anything, such a day signals.

But what about the Fed?

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EVERY SATURDAY MORNING AT

8:00 AM ON KXLY RADIO CHANNEL 920 AM IN SPOKANE

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LISTEN LIVE AT WWW.NEWSTALK870.AM AGAIN AT 9:30 EACH SATURDAY MORNING

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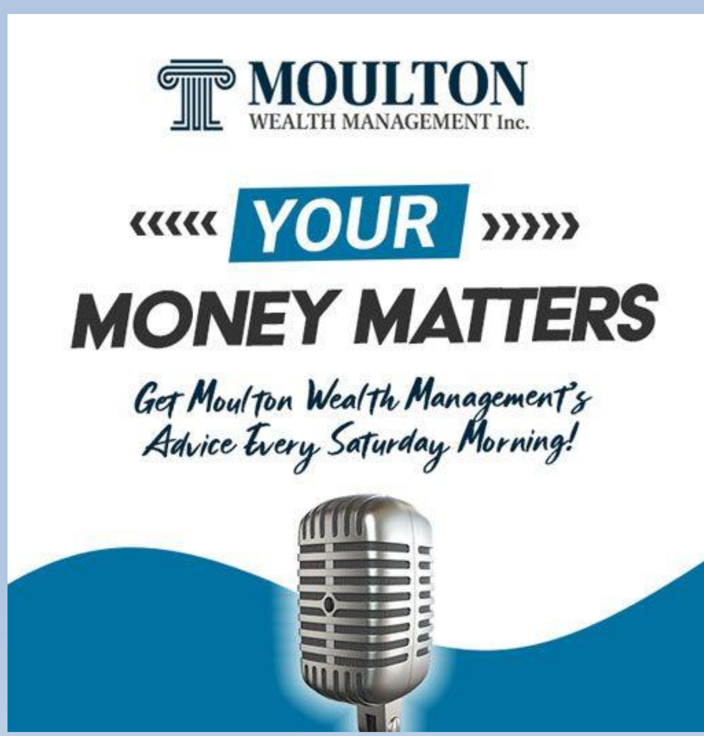


Dates	NASDAQ Composite (%) After:			
	-12 MONTHS	-6 MONTHS	6 MONTHS	12 MONTHS
1987-10-27	-16.89	-27.66	27.78	28.83
2000-04-18	61.73	41.07	-16.40	-45.19
2000-05-30	43.43	3.70	-24.90	-39.75
2000-10-13	18.40	-9.79	-40.86	-48.64
2000-10-19	27.17	-7.77	-36.17	-51.11
2000-12-05	-18.51	-24.39	-22.71	-29.17
2000-12-22	-36.07	-36.06	-19.16	-22.69
2001-01-03	-36.66	-34.45	-18.19	-21.88
2001-04-05	-57.19	-48.59	-10.07	-0.84
2001-04-18	-45.19	-34.43	-20.52	-13.32
2002-05-08	-22.85	-7.19	-19.87	-12.18
2008-10-13	-34.19	-18.96	-10.35	16.03
2008-10-28	-41.46	-31.96	1.48	24.86
2009-03-10	-37.39	-39.06	53.43	73.67
2020-03-13	3.03	-3.69	40.40	69.14
2020-03-24	-2.88	-7.20	43.87	74.74
2020-04-06	-0.32	-0.54	40.96	73.11
2022-11-10	-28.86	-5.31		
Mean	-12.48	-16.24	-1.84	4.45
Median	-20.68	-14.38	-16.40	-12.18

		NDX following +7% Days			
		1mo	3mo	6mo	12mo
10/27/87		11.7%	20.9%	33.5%	35.8%
4/18/00	4557	-7.8%	9.3%	-11.8%	-50.7%
5/30/00	42	7.4%	15.8%	-17.1%	-47.9%
10/13/00	136	-11.8%	-23.0%	-49.7%	-57.5%
10/19/00	6				
12/5/00	47	-13.8%	-32.8%	-35.5%	-39.7%
12/22/00	17				
1/3/01	12	-2.2%	-44.7%	-27.7%	-34.1%
4/5/01	92	26.6%	20.0%	-23.7%	-9.4%
4/18/01	13				
5/8/02	385	-11.1%	-29.7%	-18.4%	-12.8%
10/13/08	2350	-18.5%	-14.4%	-6.2%	21.0%
10/28/08	15				
3/10/09	133	20.5%	33.8%	47.3%	72.4%
3/13/20	4021	3.0%	19.9%	42.5%	61.8%
3/24/20	11				
4/6/20	13				
11/10/22					
Average		**0.4%**	**-2.3%**	**-6.1%**	**-5.5%**
Median		**-2.2%**	**9.3%**	**-17.1%**	**-12.8%**
% +ve		**45%**	**55%**	**27%**	**36%**

A macro analyst on twitter called MrBlonde simplified the top table by excluding any occurrence that happened within a month of a previous one (see the lower table).

He concluded that the best outcomes were when the Fed was actively working to support the market through rate cuts and/or QE (i.e. money printing). This happened during the Great Financial Crisis in 2008 and coming out of it in 2009 as well as the Covid crisis of 2020.

And remember…

The Fed is NOT working to support the market through either rate cuts or QE and won't with inflation near all-time highs.

In fact, when commenting on the Thursday and Friday market advance, Fed governor Christopher Waller said;

"The market seemed to get waaaa-aaaay out in front.... I just cannot stress this is one data point."

"We've still got a ways to go."

"7.7% CPI inflation is enormous."

He went on to note that this reminded him of the July reading. In July the month-over-month unadjusted CPI went from +1.37% in June to -0.01% and the market thought inflation was over. But the most recent month over month reading was +0.41%.

Yes, inflation is declining in rate of change, which simply means it's not increasing as fast as it was a few months ago on a year-over-year basis.

But it's still +7.7% vs. the Fed's target of +2%.

The bottom line…

We are still in a bear market, and it won't likely conclude until stock prices are far lower.

The other recent event to note involves crypto currency. FTX *was* a "crypto exchange" where investors can buy or sell different crypto currencies. Unlike the stock market, within crypto there is little regulation and in fact if investors have money in one of these exchanges and it goes bankrupt, there's a likelihood the investors' money would be counted as an asset of the exchange.

It was discovered this past week that FTX and their CEO Sam Bankman-Fried had loaned another of his companies billions of investors' dollars to cover losses from risky crypto bets. When investors began asking for their money from FTX, there wasn't enough left to cover withdrawals and it created an old-fashioned bank run.

The bottom line is the CEO's net worth went from a peak of $28 billion, to $16 billion coming into this week to $1. You read that right. His $16 billion net worth from a week ago is gone. He has resigned and FTX has filed for bankruptcy.

Don't worry, we're told, it has no impact for "real" financial companies just as Lehman had no impact for the rest of the financial markets. Of course after Lehman's bankruptcy the stock market collapsed. Maybe it's an unfair comparison but there are a lot of "real financial companies" that invested in or lent money to FTX.

What is your defensive plan?

There's still time.

Call or attend a seminar to hear about ours.

Remember, we have a feature on our website: www.MoultonWealth.com to help you measure your risk tolerance. The problem with trying to decide how much risk to take is we all want to be aggressive when the market is going up, but conservative when it's going down. That's why a sell discipline is important. However, the first line of defense is always our allocation. This approach to measuring risk gives a number by making investors trade off gains and losses. Just click the button to see where you stand.

What's Your Risk Number?

In the markets:

U.S. Markets: The major U.S. indexes recorded strong gains this week as investors celebrated cooler inflation data suggesting the Federal Reserve may slow the pace of interest rate hikes. The benchmark S&P 500 index recorded its best week since June, hitting its best intraday level in two months. The Dow Jones Industrial Average rallied over 1300 points to 33,748—a gain of +4.1%. The technology-heavy NASDAQ Composite surged +8.1% to 11,323. By market cap, the large cap S&P 500 rose +5.9%, while the mid cap S&P 400 added +5.3% and the small cap Russell 2000 finished the week up +4.6%.

International Markets: Major international markets finished the week to the upside as well. Canada's TSX rose +3.4% last week, while the United Kingdom's FTSE 100 ticked down -0.2%. France's CAC 40 added +2.8%, while Germany's DAX surged +5.7%. In Asia, China's Shanghai Composite finished up +0.5%. Japan's Nikkei finished the week up +3.9%. As grouped by Morgan Stanley Capital International, developed markets vaulted +7.8%. Emerging markets finished the week up +5.4%.

Commodities: Gold and Silver rallied along with equities. Gold finished the week up +5.5% at $1769.40 per ounce, while Silver added +4.3% to $21.67. West Texas Intermediate crude pulled back -3.9% to $88.96 after two weeks of gains. The industrial metal copper, viewed by some analysts as a barometer of world economic health due to its wide variety of uses, finished the week up +6.2%.

U.S. Economic News: The number of Americans filing for first-time unemployment benefits ticked up last week, slightly surprising economists that the U.S. employment situation is starting to cool more than expected. The Labor Department reported initial jobless claims rose by 7,000 to 225,000. Economists had expected a reading of 220,000. Meanwhile, continuing claims, which count the number of people already receiving benefits, rose by 6,000 to 1,493,000. That number is reported with a one-week delay.

Inflation slowed in October, providing relief both to consumers and perhaps the green light for the Federal Reserve to slow its pace of interest rate hikes. The government reported the cost of living rose a relatively modest +0.4% last month—a sign price pressures are easing after the biggest surge in inflation in 40 years. Economists had expected a +0.6% increase. On an annual basis, inflation fell -0.5% to +7.7%, marking its lowest level since January. So far, inflation peaked at a 41-year high of +9.1% in June. In another positive sign, the so-called core rate of inflation, which omits food and energy, rose just +0.3%. Economists had expected a +0.5% increase. The increase in the core rate over the past year dropped to +6.3% in October from a 40-year peak of +6.6% in September. The Fed views the core rate as a more accurate measure of future inflation trends.

Sentiment among the nation's small business owners pulled back in October driven by worsening short-term expectations and a deteriorating economic outlook. The National Federation of Independent Business (NFIB) reported its small business optimism index fell 0.8 point to 91.3 last month. The reading remains well below its long-term historical average of 98. Still, despite their pessimism, owners report their desire to add staff. NFIB Chief Economist Bill Dunkelberg stated, "Owners continue to show a dismal view about future sales growth and business conditions but are still looking to hire new workers." The survey showed 46% of respondents reported job openings they couldn't fill, with firms in transportation, construction and manufacturing sectors struggling the most to hire workers.

International Economic News: Canadians grew more pessimistic about the economy last month, according to a recent survey. Maru Public Opinion's Canadian household outlook index fell six points to 87 in October from 93 in September. The pullback indicates that Canadians' mood around economic matters has soured considerably after perking up slightly as summer turned to fall. John Wright, Maru's Toronto-based executive vice-president stated, "What I am seeing is the bleakest and most biting outlook that I have seen since we started this and for many years previous." Wright found that 70% of respondents believed the economy was "on the wrong track," a significant jump from September. The result suggests higher interest rates and increased talk of a recession are weighing on the public mood. The last time any of the survey participants had anything good to say about the Canadian economy was back in November 2021, when 54% said they approved of its trajectory.

Across the Atlantic, Bank of England policymakers are not "inflation nutters", according to its chief economist, but tightening monetary policy is necessary to prevent surging prices becoming entrenched in the economy, he said. At a conference hosted by Swiss investment bank UBS, Huw Pill, the BoE's Chief Economist stated, "We're not meant to be inflation nutters. We are meant to sort of manage this trade-off in a way that avoids unnecessary, counterproductive maybe, disruptions to the real economy." Alongside its policy announcement last week, the Bank took the unusual step of challenging the market's pricing for future interest rate hikes, suggesting the terminal rate will likely be below market expectations. The Bank of England has come under criticism for being too slow off the mark in its efforts to rein in sky-high inflation.

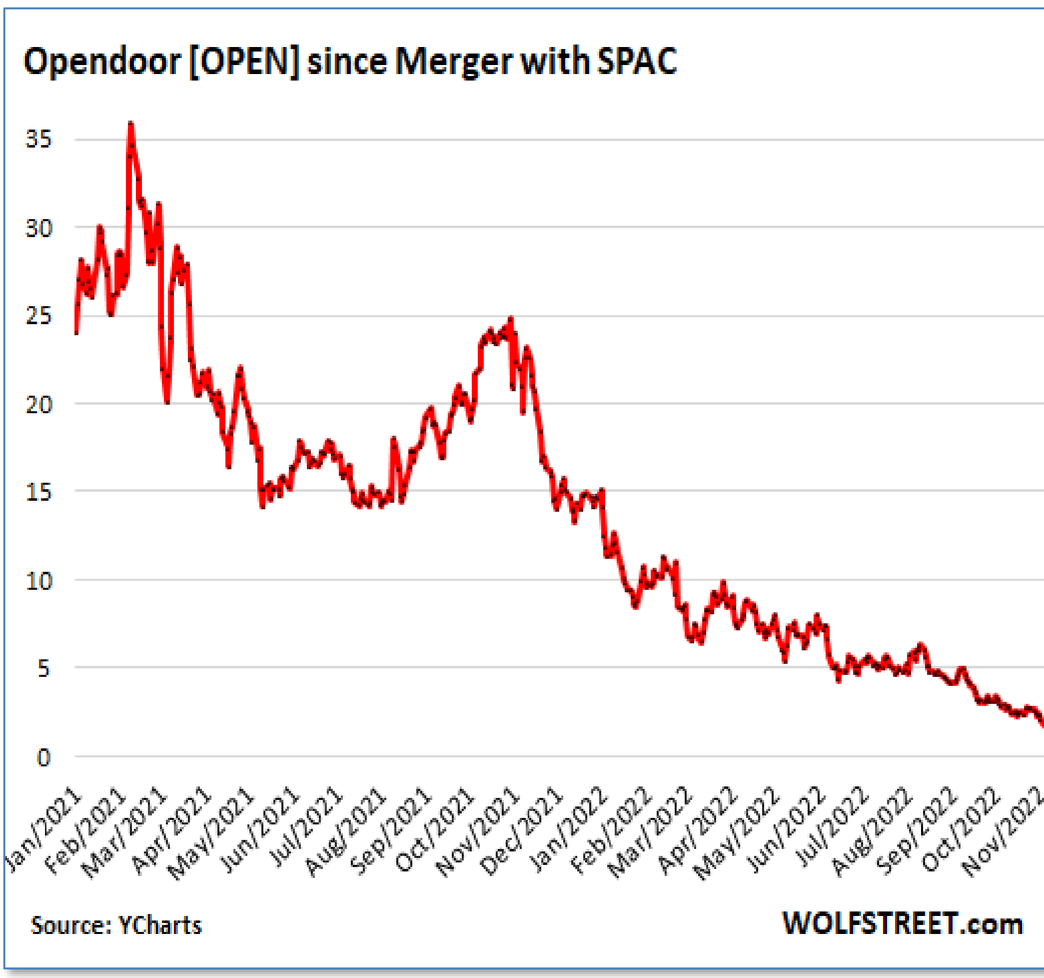
On Europe's mainland, France's far-right party chose a 27-year-old to replace Marine Le Pen as its leader. European lawmaker Jordan Bardella won 85% of an internal vote, marking a symbolic changing of the guard at the resurgent National Rally party. Bardella won the nomination pledging to protect French civilization from excessive immigration. The National Rally is seeking to capitalize on its recent breakthrough in France's legislative election and growing support for far-right parties in Europe, notably in neighboring Italy. Marine Le Pen is still expected to wield significant power in the party's leadership and run again for France's presidency in 2027. She says she stepped aside to focus on leading the party's 89 lawmakers in France's National Assembly.

In Germany, Europe's economic powerhouse, a group of top business executives warned against withdrawing from China. The intervention by eight chief executives comes as Germany grapples with its future relationship business and political relationship with China. The executives include the CEOs of industrial conglomerate Siemens, chemicals manufacturer BASF, technology company Bosch, auto parts supplier Schaeffler and the port of Hamburg. They said German companies' sites in China and elsewhere in the world contribute significantly to their competitiveness, and that China has become the world's second biggest and most dynamic market — "so our presence there is particularly important in the interest of German economic strength." The comments came as the German government blocked prospective Chinese investment in two domestic semiconductor producers due to national security and flow of sensitive technology concerns.

A surge of COVID cases has spurred lockdowns in the southern Chinese manufacturing hub of Guangzhou, adding to disruptions of global supply chains and sharply slowing growth in the world's second-largest economy. Residents in districts encompassing almost 5 million people have been ordered to stay home at least through Sunday, with one member of each family allowed out once per day to purchase necessities, local authorities said. The order came after the densely populated city of 13 million reported more than 2,500 new cases over the previous 24 hours. Public transport has been suspended and classes halted across much of Guangzhou, while flights to Beijing and other major cities have been canceled, according to state media. China, unlike the rest of the world, has retained its strict “zero-COVID” policy despite relatively low case numbers and no new deaths.

Japan’s cabinet approved an extra budget for the current fiscal year to spend 29.09 trillion yen ($199 billion USD) on an economic package designed to mitigate the pain on households and businesses due to rising prices. Putting fiscal restraint on the backburner, the government will issue bonds worth 22.85 trillion yen despite its debt already being more than twice the size of its economy. The key feature of the economic package is reducing utility bills for Japanese households. The average household would save around 45,000 yen between January and September when the package, intended to lower electricity and city gas prices on top of gasoline and kerosene, is implemented.

Finally: Real estate flipper OpenDoor made quite a splash when it went public via a SPAC merger in December 2020. And why not? It was going to upend the real estate “flipping” market via its revolutionary AI-driven algorithms which it employed to buy and sell homes around the country. Even when competitor Zillow exited the market with heavy losses, OpenDoor carried on (perhaps because, unlike Zillow, buying and selling – flipping – homes was OpenDoor’s only business). It has piled up losses totaling an astounding $2.2 billion through Q3, $923 million in Q3 alone. Now sitting on 16,873 empty houses (as of Oct 31) in a terrible real estate market, OpenDoor’s Artificial Intelligence might be dubbed Artificial Stupidity. Its stock has reacted more intelligently: it has tanked about -95% from its euphoric highs. (Chart from wolfstreet.com)



Get a physical! We invite you to attend a seminar and come in for a "financial physical", even if you think your current approach is fine. Much like going to the doctor for a physical despite feeling great, you want to make sure any negative issues you may not be aware of are caught early and addressed. For example…

- Do you need a process to help manage losses during the next bear market?
- Have you addressed your investment process and adjusted it for what is going on in the world?
- If not, what are you waiting for?

At the bottom of the 2007 - 2009 bear market the S&P-500 index returned to levels last seen in 1996.

The drop didn't retrace only a few months or even a couple years.

We discuss many of these issues on the weekly radio show and invite you to listen.

WEEKLY FOCUS – THINK ABOUT IT

We are still in a bear market, and it won't likely conclude until stock prices are far lower.

Yours truly,

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Certified Financial Planner™

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P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will ask for their permission to be added.

Investment services offered through Moulton Wealth Management, Inc., an independent Registered Investment Advisor. The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. 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. Consult your financial professional before making any investment decision.

You cannot invest directly in an index. Past performance does not guarantee future results. Investments in securities do not offer a fixed rate of return. Principal, yield and / or share price will fluctuate with changes in market conditions and, when sold or redeemed, you may receive more or less than originally invested. No system or financial planning strategy can guarantee future results.

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***The Barclays Global Aggregate Bond Index** (formerly Lehman Brothers Global Aggregate Index), is an unmanaged market-capitalization-weighted benchmark, and tracks the performance of investment-grade fixed income securities denominated in 13 currencies. The index reflects reinvestment of all distributions and changes in market prices.*

***The Barclays U.S. 1-10 Year TIPS Index** is an unmanaged index composed of inflation-protected public obligations of the U.S. Treasury that have a remaining maturity of one to ten years.*

***The Barclays U.S. Aggregate Bond Index** is an unmanaged benchmark index composed of U.S. securities in Treasury, Government-Related, Corporate, and Securitized sectors. It includes securities that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $250 million.*

***The Barclays U.S. TIPS Index** is an unmanaged index composed of all U.S. Treasury Inflation- Protected Securities rated investment grade, have at least one year to final maturity, and at least $250 million par amount outstanding.*

***The Barclays U.S. Treasury Index** is an unmanaged index composed of U.S. Treasuries.*

***The CDX IG 12** is a benchmark high-grade derivatives index, which measures the cost of insuring a basket of U.S. investment-grade corporate debt against defaults.*

***The Chicago Board Options Exchange Volatility Index (VIX)** tracks the expected volatility in the S&P 500 over the next 30 days. A higher number indicates greater expected volatility. Common usage: The Chicago Board Options Exchange Volatility Index (VIX), a barometer of market volatility.*

***The Dow Jones Industrial Average** is a widely followed market indicator based on a price-weighted average of 30 blue-chip stocks that trade on the New York Stock Exchange which are selected by editors of The Wall Street Journal.*

***The Dow Jones Wilshire Real Estate Securities Index (RESI)** is used to measure the U.S. real estate market and includes both real estate investment trusts (REITs) and real estate operating companies (REOCs). It is weighted by float-adjusted market capitalization.*

***The JP Morgan Emerging Market Bond Index** is a total-return, unmanaged trade-weighted index for U.S. dollar-denominated emerging-market bonds, including sovereign debt, quasi-sovereign debt, Brady bonds, loans, and Eurobonds.*

***The JP Morgan EMBI Global Diversified Index** tracks the performance of external debt instruments (including U.S.-dollar-denominated and other external-currency-denominated Brady bonds, loans, Eurobonds and local market instruments) in the emerging markets.*

***The JP Morgan GBI-EM Global Diversified Index** tracks the performance of local-currency bonds issued by emerging market governments.*

***The MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index represents 23 developed market countries.*

***The MSCI All Country World Index** is a market-capitalization-weighted index composed of over 2,400 companies and is representative of the market structure of 46 developed and emerging market countries. The index is calculated with net dividends reinvested in U.S. dollars.*

***The MSCI EAFE Index** is an unmanaged, market-capitalization-weighted equity index that represents the developed world outside North America.*

***The MSCI Emerging Markets Index** is a free float-adjusted market-capitalization-weighted index designed to measure the performance of global emerging market equities.*

***The NASDAQ Composite Index** is a market-value-weighted index of all common stocks listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) system.*

***The Russell 1000 Index** includes 1000 of the largest U.S. equity securities based on market cap and current index membership; it is used to measure the activity of the U.S. large-cap equity market.*

***The Russell 2000 Index** includes 2000 small-cap U.S. equity names and is used to measure the activity of the U.S. small-cap equity market.*

***The S&P 500 Index** is a capitalization-weighted index made up of 500 widely held large-cap U.S. stocks in the Industrials, Transportation, Utilities and Financials sectors.*

Investing Terminology

***Alpha** is a measure of a portfolio's return above a certain benchmarked return.*

***Alternative Investments** are investments that are not one of the three traditional asset types (stocks, bonds and cash). Alternative investments include hedge funds, managed futures, real estate, commodities, and derivatives contracts.*

***Asset-Backed Securities (ABS)** are bonds backed by a pool of loans or accounts receivable and commonly include payments from credit cards, auto loans and mortgage loans.*

***Austerity** refers to measures taken by a country's government in an effort to reduce expenditures and a budget deficit.*

***Beta** is a measure of the volatility or systematic risk of a security or a portfolio in comparison to the market as a whole.*

***Book-to-Price Ratio** is the inverse of the price-to-book ratio, which is calculated as the market value of a security divided by its book value. A lower the price-to-book ratio for a security may mean the security is undervalued, and vice versa (the higher the book-to-price ratio, the better the value).*

***Commercial Mortgage-Backed Securities (CMBS)** are pools of commercial mortgage loans that are packaged together and sold to the public. They are usually structured in tranches, or classes of risk, so that investors can determine how much risk they want to take on. In general, CMBS carry less prepayment risk than loans backed by residential mortgages.*

***Corporate Bonds** are debt securities issued by corporations to raise money; these bonds usually pay higher coupon rates than government or municipal bonds.*

***Correlation Risk** refers to the change in the marked to market value of an asset when the correlation between the underlying assets changes over time.*

***Credit Ratings** are an assessment of the risk of default of a company or country. The higher the credit quality (or rating), the lower the perceived risk of default.*

Cyclical Sectors or Stocks *are those whose performance is closely tied to the economic environment and business cycle. Managers with a pro-cyclical market view tend to favor stocks that are more sensitive to movements in the broad market and therefore tend to have more volatile performance.*

Debt-to-Equity Ratio *is calculated as long-term debt divided by common shareholders' equity, and measures the amount of a firm's leverage, or debt.*

Donor Advised Funds *are private funds administered by a third party and created for the purpose of managing charitable donations on behalf of an organization, family, or individual.*

Duration *is a measure of a security's price sensitivity to changes in interest rates. Specifically, duration measures the potential change in value of a bond that would result from a 1% change in interest rates. The shorter the duration of a bond, the less its price will potentially change as interest rates go up or down; conversely, the longer the duration of a bond, the more its price will potentially change.*

Excess Returns *are investment returns from a security or portfolio that exceed a benchmark or index with a similar level of risk.*

Grantor Retained Annuity Trust *is an estate planning technique that minimizes the tax liability existing when intergenerational transfers of estate assets occur. An irrevocable trust is created for a certain term or period of time. The individual establishing the trust pays a tax when the trust is established. Assets are placed under the trust and then an annuity is paid out every year. When the trust expires, the beneficiary receives the assets estate and gift tax free.*

High Yield Debt *is rated below investment grade and is considered to be riskier.*

Managed Futures *strategies use futures contracts as part of their overall investment strategy. They provide portfolio diversification among various types of investment styles and asset classes to help mitigate portfolio risk in a way that is not possible in direct equity investments.*

Market Capitalization *is calculated as the number of company shares outstanding multiplied by the share price and is used to determine the total market value of a company.*

Momentum *is the rate of acceleration for an economic, price or volume movement; it is used to locate trends within the market.*

Mortgage-Backed Securities (MBS) *are pools of mortgage loans that are packaged together and sold to the public. They are usually structured in tranches, or classes of risk, so that investors can determine how much risk they want to take on.*

Option-adjusted spreads *estimate the difference in yield between a security or collection of securities and comparable Treasuries after removing the effects of any special features, such as provisions that allow an issuer to call a security before maturity.*

Peripheral Eurozone Countries *are those countries in the Eurozone with the smallest economies.*

Price-to-Book Ratio *is calculated as the market value of a security divided by its book value. A lower the price-to-book ratio for a security may mean the security is undervalued.*

Private Foundations *are charitable organizations that do not qualify as public charities by government standards. A private foundation is a nonprofit organization which is usually created via a single primary donation from an individual or a business and whose funds and programs are managed by its own trustees or directors.*

Quantitative Easing *refers to expansionary efforts by central banks to help increase the supply of money in the economy.*

Recapitalized/recapitalization *refers to injecting fresh equity into a company or a bank, which can be used to absorb future losses. This generally takes place through the company issuing new shares. In the case of a government or organization recapitalizing a bank, it usually results in the government or organization owning a stake in the bank.*

Spreads*: Yield spreads represents the difference in yields offered between corporate and government bonds. If they tighten, this means that the difference has decreased. If they widen, this means the difference has increased.*

Standard Deviation*: Statistical measure of historical volatility. A statistical measure of the distance a quantity is likely to lie from its average value. It is applied to the annual rate of return of an investment, to measure the investment's volatility (risk). Standard deviation is synonymous with volatility, in that the greater the standard deviation the more volatile an investment's return will be. A standard deviation of zero would mean an investment has a return rate that never varies.*

Treasuries *are U.S. government debt obligations that are backed by the full faith and credit of the government. Often, they are used as a proxy for a risk-free asset when comparing other risky assets.*

Yield Curves *illustrate the relationship between the interest rate, or cost of borrowing, and the time to maturity. Yields move inversely to prices. The Barclays Capital 1-10 Year US TIPS Index: Barclays Capital 1-10 Year US TIPS Index measures the performance of inflation-protected public obligations of the U.S. Treasury that have a remaining maturity of one to ten years.*

(Other Sources: All index- and returns-data from Yahoo Finance; news from Reuters, Barron's, Wall St. Journal, Bloomberg.com, ft.com, guggenheimpartners.com, zerohedge.com, ritholtz.com, markit.com, financialpost.com, Eurostat, Statistics Canada, Yahoo! Finance, stocksandnews.com, marketwatch.com, wantchinatimes.com, BBC, 361capital.com, pensionpartners.com, cnbc.com, FactSet.)