

### Market Commentary

**Last Week's Highlights:** Equities were mixed last week, but sectors that under-performed were down only marginally. The Dow was down 0.17% last week, while the S&P 500 lost 0.09%, the Nasdaq was down 0.30%, and the Russell 2000 was up 0.02%. Bonds declined as interest rates were higher for the week. The BBgBarc Agg Bond Index was down 0.57% for the week and short-term bonds lost 0.10%. The US dollar was lower last week, helping international equities only slightly. The MSCI EAFE Index gained 0.01%, while the MSCI Emerging Markets Index improved 0.13%. **Economic Data:** The final 2022 data on the employment situation will be released this week. The key economic data releases this week are Manufacturing PMI, Construction Spending, ISM Manufacturing PMI, JOLTs Job Openings, FOMC Minutes Release, Vehicle Sales, ADP Private Employment, Weekly Jobless Claims, Continuing Claims, Services PMI, Average Hourly Earnings, Unemployment Rate, Nonfarm Payrolls, Factory Orders, & ISM Non-manufacturing PMI. **Earnings Releases:** Fourth quarter earnings season doesn't really kick into gear until next week. The key earnings releases this week are CAG, HELE, SMPL, WBA, STZ, & GBX. **Takeaways:** Equities and fixed income finished the year with a thud as recession fears gripped the market and we're in the "good news is bad news" cycle. Holiday Sales for 2022 came in higher than most expected (+7.6% vs 4-6%). Some are discounting the number, but in a year with high inflation and high interest rates, 7.6% growth year-over-year is solid. In fact, December's Redbook Sales showed a higher average than the previous 8 years, with the exception of 2021 (which proved to be an outlier). Housing continues to struggle, but the Case-Shiller Home Price Index showed some improvement on a year-over-year basis. The Chicago PMI and Richmond Manufacturing Index showed improvement, but that fell into the idea that the Fed has more room to raise rates. We will get the Fed minutes from December this week, which could move markets if the minutes show a hawkish bias. The 2023 targets for the S&P 500 Index are mixed as J.P. Morgan and Wells Fargo as calling for a strong 2nd half finish next year. Bank of America, Goldman Sachs, & Citigroup are calling for mildly positive returns for 2023. UBS and Morgan Stanley are expecting a recession, with a slightly positive return by year-end. The average prognostication is around 5% return in 2023.

### Market Returns

Sectors	1 Week Return	YTD Return
Technology	-0.05%	-31.55%
Industrials	-0.14%	-8.08%
Energy	0.22%	62.50%
Communication Svcs	-0.03%	-40.94%
Basic Materials	-1.06%	-11.41%
Consumer Cyclical	-0.36%	-35.52%
Financial Svcs	0.72%	-12.34%
Real Estate	-0.37%	-25.55%
Consumer Defensive	-0.67%	-2.61%
Healthcare	-0.12%	-5.18%
Utilities	-0.57%	1.65%

Key Indices	1 Week Return	YTD Return
S&P 500	-0.09%	-18.11%
Dow Jones Industrial Average	-0.17%	-8.78%
Russell 2000	0.02%	-21.56%
Nasdaq	-0.30%	-33.10%
MSCI EAFE	0.01%	-16.79%
BBgBarc Agg Bond	-0.57%	-13.01%
60% S&P / 40% BB Agg Bond	-0.28%	-16.07%

Key Rates—as of 12/30/2022	
3mth T-bills	4.34%
2yr U.S. Treasury	4.43%
10yr U.S. Treasury	3.87%
Fed Funds	4.25%-4.50%

#### Investment Styles—1 Week Returns

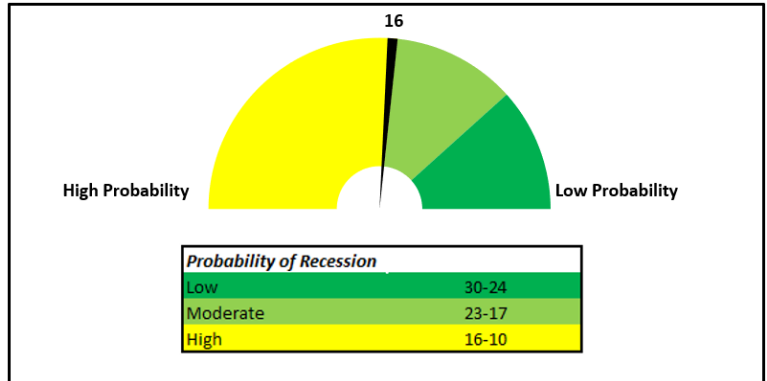
	Value	Blend	Growth	
	0.21%	-0.13%	-0.21%	Large
	-0.15%	-0.30%	0.22%	Mid
	-0.08%	-0.04%	0.32%	Small

#### Investment Styles—YTD Returns

	Value	Blend	Growth	
	0.26%	-14.47%	-40.36%	Large
	-2.39%	-14.41%	-32.37%	Mid
	-6.60%	-14.43%	-33.31%	Small

### Recession Indicator

The current score of our Recession Indicator suggests that there is a high probability of a recession in the next 6-12 months. The Indicator declined 1 point last week. It is now at a level of 16. GDP & the Savings Rate are at a positive levels. The Financial Stress Index is at a moderate level. The Yield Curve, ANCFI, Housing Starts, CPI (Inflation), Consumer Sentiment, Unemployment, the NAAIM, & Wages are at levels that are typically associated with recessions. The Indicator is fluctuating as economic data is shifting between contraction and growth.



Source: Eudaimonia Asset Management

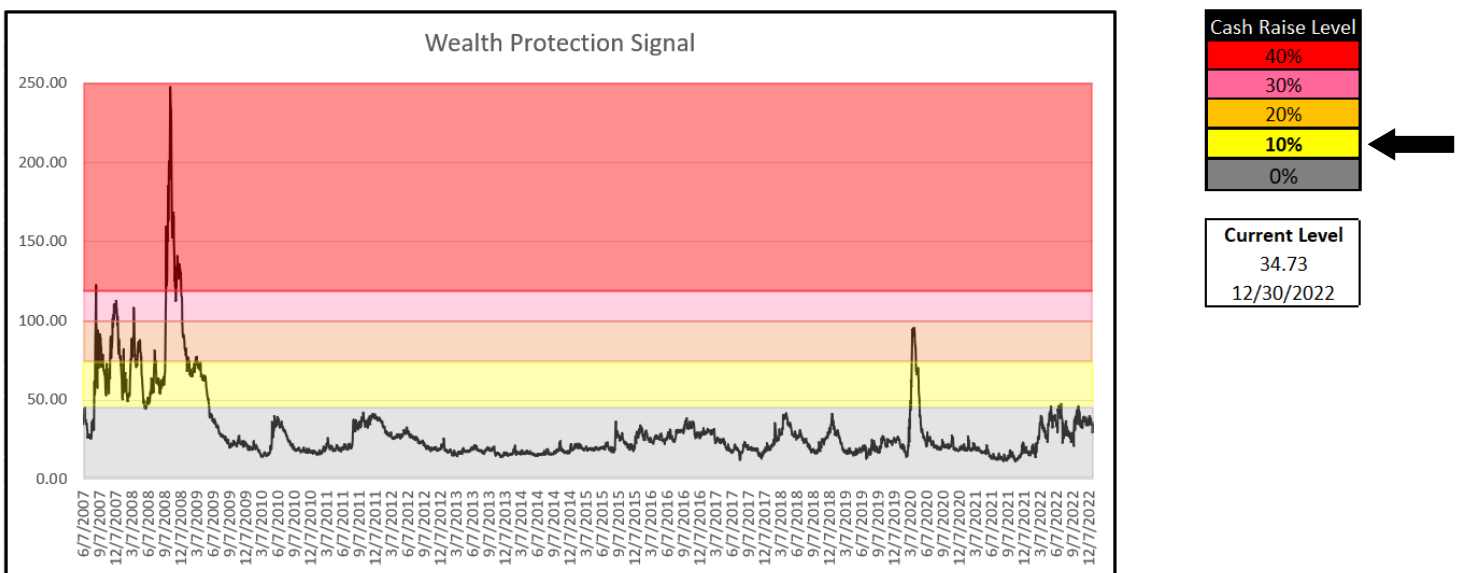
### Wealth Protection Signal

#### Description

The Wealth Protection Signal measures panic or “fear” among investors, as well as, “volatility” in the market. The Signal is comprised of a proprietary weighting to the VIX Index (volatility) and to the TED Spread (fear). When these indices spike, major market meltdowns tend to follow. The Signal is also measured against the Yield Curve. When the 1st Cash Raise Level is reached, the Yield Curve (2yr Treasury Bond Yields > than 10yr Treasury Bond Yields) must also be inverted or have been inverted within the past 90 days in order for the 1st Cash Raise to trigger.

#### Current Level

The current level of the Wealth Protection Signal is at 34.73 as of Friday’s close on December 30th, 2022. The Signal decreased 2.1% from the previous week’s close. The VIX slightly increased toward the end of the week, while the TED Spread decreased during the week. The Signal still remains range-bound and would have to increase 102% to reach the next trigger point. The Wealth Protection Signal is currently indicating that investors should have a 10% cash-weighting within their respective asset allocation at this time.



Source: Eudaimonia Asset Management

### Disclosures

*Sources: Investment Style returns are derived from Morningstar, Inc. (<https://indexes.morningstar.com/indexdata#>). Key Rates table derived from Bloomberg. (<https://www.bloomberg.com/markets/rates-bonds/government-bonds/us>). Sectors and Key Indices tables are derived from Charles Schwab Advisor Center.*

*Recession Indicator is comprised of 10 economic measurements including, the Yield Curve, GDP, Inflation, Wage Growth, Unemployment, Housing Starts, Consumer Sentiment, Adjusted National Financial Conditions Index, the Fed's Financial Stress Index, U.S. Savings Rate, and the NAAIM (National Association of Active Investment Managers) Index.*

*Wealth Protection Signal is comprised of the VIX and the TED Spread Indices. The VIX Index is the Chicago Board of Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. The TED Spread is the price difference between 3-month futures contracts for U.S. Treasuries and 3-month futures contracts for Eurodollars having identical expiration months.*

*The information contained herein is for informational purposes only and is developed from sources believed to be providing accurate information. The opinions expressed are those of the author, are for general information, and should not be considered a solicitation for the purchase or sale of any security. The decision to review or consider the purchase or sell of any security should not be undertaken without consideration of your personal financial information, investment objectives and risk tolerance with your financial professional.*

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

*Any 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. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.*

*Past Performance does not guarantee future results.*

### Important Information

Eudaimonia Partners, LLC ("Eudaimonia Partners") is a registered investment advisor. Advisory services are only offered to clients or prospective clients where Eudaimonia Partners and its representatives are properly licensed or exempt from licensure. Eudaimonia Asset Management, LLC, Eudaimonia Advisors, LLC, and Eudaimonia Partners, LLC are affiliated entities under common control of Eudaimonia Group.

For current Eudaimonia Partners information, please visit the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with Eudaimonia Partners' CRD #283884.

### Risk Disclosure

No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment.

All investments include a risk of loss that clients should be prepared to bear. The principal risks of Eudaimonia Asset Management strategies are disclosed in the publicly available Form ADV Part 2A.