PHOENIX
ASSET ADVISORS, LLC

Weekly Market Recap

May 8, 2023

Market Commentary

Last Week's Highlights: Equities were lower for the week as the market despite the Fed hinting at a pause in future rate hikes. The Dow was down 1.46% last week, while the S&P 500 lost 0.32%, the Nasdaq was up 0.18%, and the Russell 2000 lost 0.94%. Bonds slightly of as interest rates were mixed after the FOMC announcement. The BBgBarc Agg Bond Index was down 0.06% for the week, while short-term bonds were down 0.21%. The US dollar resumed it march lower after last week's reprieve. The MSCI EAFE Index gained 0.04%, while the MSCI Emerging Markets Index was up 0.48%. **Economic Data:** Inflation data will be the key to watch this week as markets are focused on a Fed pause. The key economic data releases this week are CB Employment Trends, Wholesale Inventories, NFIB Small Business Optimism, Consumer Price Index (inflation), Producer Price Index, (inflation), Initial Jobless Claims, Continuing Claims, UoM Consumer Sentiment. **Earnings Releases:** Consumer Discretionary dominates the earnings this week. The key earnings releases this week are BNTX, DISH, KKR, TSN, SIX, MCK, PYPL, DUK, SEAS, WE, ABNB, OXY, RIVN, NYT, WEN, BYND, DIS, DNUT, & YETI. **Takeaways:** First quarter corporate earnings are having their best performance, relative to analysts' expectations, since the first quarter of 2021. So far, 79% of S&P 500 companies have out-paced earnings estimates and 75% have beat on revenue estimates. Last week, the market was focused on the FOMC meeting. As was largely expected, the Fed raised rates 25 basis points and hinted at a rate hike pause moving forward. While economists had expected the market to respond positively to the announcement, equities headed lower on Wednesday and Thursday following the announcement. Friday saw a nice rebound, but it was too late to help equities turn positive by week-end. More drama around regional banks kept markets skittish, although positive news on Friday revealed a much lower usage by banks of the Fed's Discount Window and Money Market Flows resumed its downward trend. Last week's Labor Report showed another surge in jobs of +253,000. The Unemployment Rate declined, indicating an economy still on solid footing as the last rate hike is now in the books. Investors will be watching the inflation numbers this week as "sticky inflation" has become the new buzz word. If inflation declines for April, it would mark the 10th consecutive decline, year-over-year. Expect more choppy trading.

Market Returns

Sectors	1 Week Return	YTD Return
Technology	0.48%	21.77%
Industrials	-0.28%	2.85%
Energy	-5.61%	-7.97%
Communication Svcs	-2.22%	20.99%
Basic Materials	-0.93%	3.59%
Consumer Cyclical	-0.44%	14.59%
Financial Svcs	-2.96%	-3.87%
Real Estate	-0.72%	1.29%
Consumer Defensive	-0.29%	4.66%
Healthcare	0.19%	-0.59%
Utilities	0.13%	-1.37%

Key Indices	1 Week Return	YTD Return
S&P 500	-0.32%	8.33%
Dow Jones Industrial Average	-1.46%	1.59%
Russell 2000	-0.94%	-0.08%
Nasdaq	0.18%	16.90%
MSCI EAFE	0.04%	10.32%
BBgBarc Agg Bond	-0.06%	3.53%
60% S&P / 40% BB Agg Bond	-0.22%	6.41%

Key Rates—as of 05/05/2023	
3mth T-bills	5.26%
2yr U.S. Treasury	3.92%
10yr U.S. Treasury	3.44%
Fed Funds	5.00%-5.25%

Investment Styles—1 Week Returns

	Value	Blend	Growth
Large	-1.82%	-1.24%	0.25%
Mid	-1.75%	-1.08%	-0.52%
Small	-2.69%	-0.36%	0.28%

Investment Styles—YTD Returns

	Value	Blend	Growth
Large	0.82%	3.48%	18.47%
Mid	-2.38%	2.05%	5.87%
Small	-4.73%	4.26%	9.59%

See important disclosures on last page.

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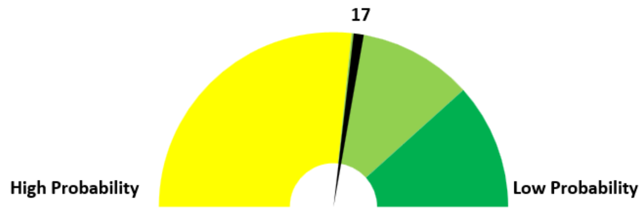
Recession Indicator

The current score of our Recession Indicator suggests that there is a moderate probability of a recession in the next 6-12 months. The Indicator declined 1 point last week. It is now at a level of 17. GDP, the NAAIM, ANCFI, and the Financial Stress Index are at a positive levels. The Yield Curve, Housing Starts, CPI (Inflation), Consumer Sentiment, Unemployment, & Wages are at levels that are typically associated with recessions. The Indicator is fluctuating as economic data is shifting between contraction and growth.



Probability of Recession	
Low	30-24
Moderate	23-17
High	16-10

Source: Eudaimonia Asset Management

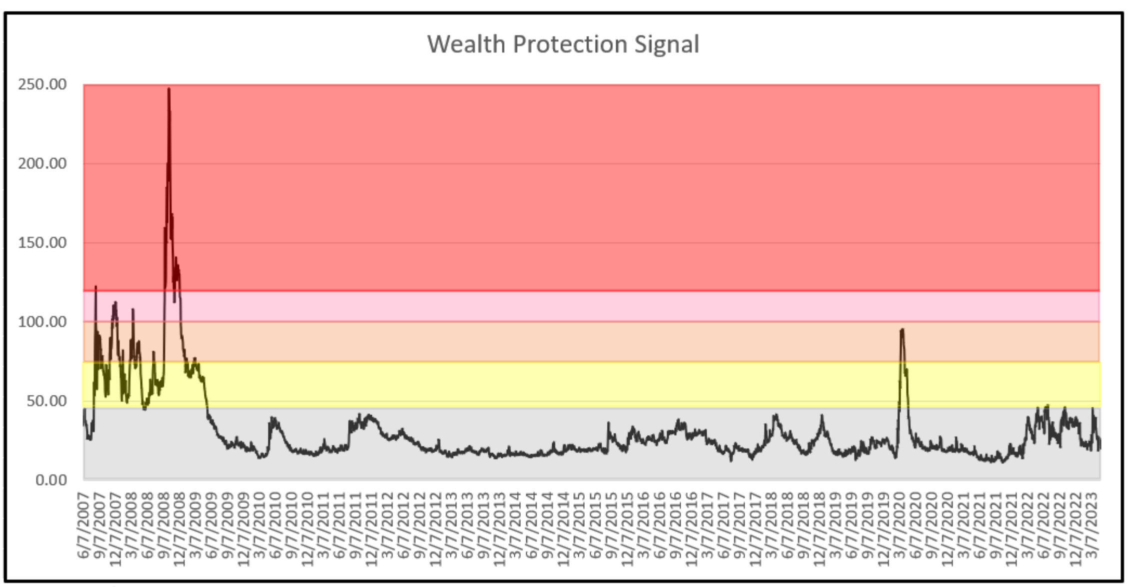
Wealth Protection Signal

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 21.56 as of Friday's close on May 5th, 2023. The Signal decreased 2.6% from the previous week's close. The TED Spread declined substantially over the past week, while the VIX actually increased slightly. The Signal wound need to increase 109% to reach the 1st trigger point. The Wealth Protection Signal is currently indicating that investors should have a 0% cash-weighting within their respective asset allocation at this time.



Source: Eudaimonia Asset Management

Cash Raise Level
40%
30%
20%
10%
0%

Current Level
21.56
5/5/2023

See important disclosures on last page.

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.

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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.