



The Lyttle Company

Registered Investment Advisory LLC

NEWSLETTER

Winter 2022-
January 28, 2022

Summary

- Economic News – The Fed is no longer giving sustained high levels of monetary support.
- Market Events – The S&P 500 gained 14.2% over past year.

Economic News

The US Real GDP increased at an annual rate of 6.9% in the fourth quarter of 2021.

Inflation measured in the 12-month Consumer Price Index (CPI) percentage change was 7% in December 2021. The Personal Consumption Expenditure Price Index (PCE) change was 5.8% in December 2021. The Fed's objective for inflation continues to remain at a 2 percent average over the longer run.

The Fed has seen progress in both the labor market and inflation. Inflation is now well above their 2% longer run goal. They state the economy will therefore no longer need sustained high levels of monetary support. Asset purchases will be phased out and the target range will be raised for the federal funds rate.

The US Dollar maintained stability with the US Dollar Index increasing to 97. Oil prices have continued to drift upwards increasing to \$87 a barrel.

www.thelyttlecompany.com

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Market Events

The S&P 500 closed yesterday 14.2% higher from a year ago. The 10-year treasury rate is at 1.79%.