CAPITAL WEALTH PLANNING, LLC
Investment Advisory Firm

M. onday
M. orning
O. bservation

www.capitalwealthplanning.com

Energy Prices Continue to Rise

Headline inflation remained high due to energy prices, while underlying inflation showed some signs of moderation.

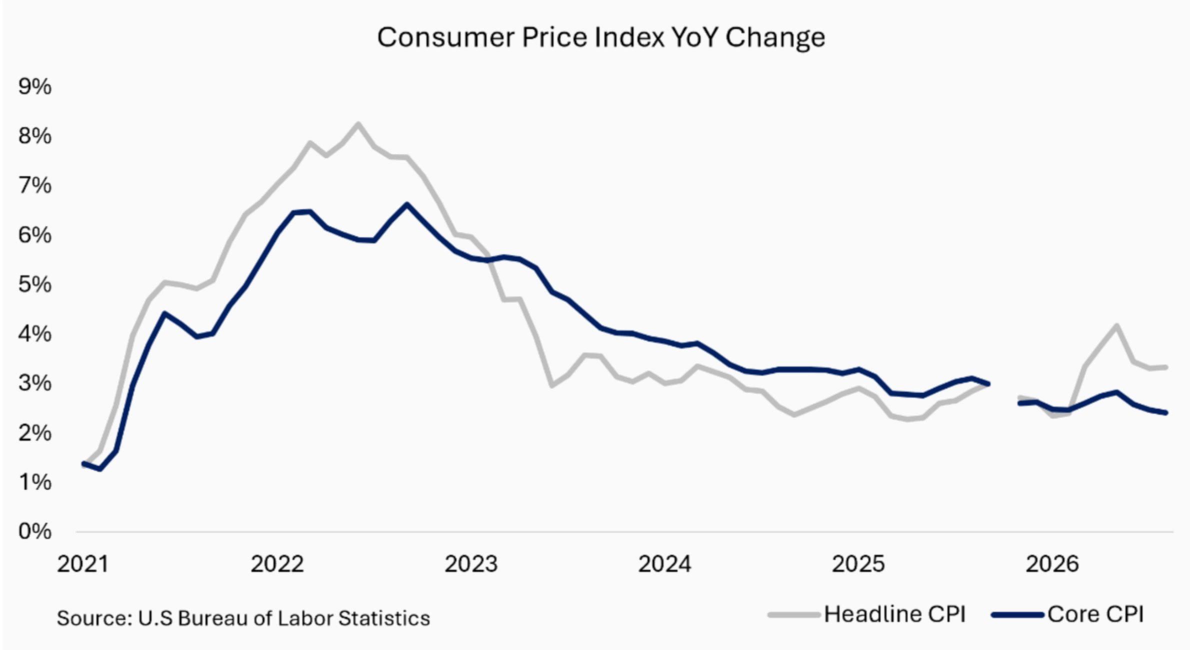
"Our greatest glory is not in never failing, but in rising up every time we fall."
– Ralph Waldo Emerson

The U.S. stock market had a volatile and ultimately weaker week. With earnings season in the rearview mirror, macro topics retook the focus of investors. Persistent inflation, elevated oil prices, higher treasury yields, and increasing expectations of a rate hike by the Federal Reserve caused stocks to sell off.

The ongoing conflict in the Middle East is pushing oil prices higher, last week once again exceeding $100/barrel. Oil supply is still constrained in the Strait of Hormuz with shipping at a standstill due to the blockade and general risk in the region. As a result, energy-driven inflation dominated both producer and consumer inflation reports for August.

Inflation

August’s Consumer Price Index (CPI) report showed that inflation remained elevated. For the month, headline inflation rose 0.4% for the month and increased 3.4% year-over-year, matching the July rate. Core inflation, which excludes food and energy items, rose 0.3% for the month and 2.4% over the past year.



The report highlighted continued pressure from energy prices, particularly gasoline and fuel oil, which rose 3.9% and 10.1% respectively. Overall, the August CPI report presented a mixed picture: headline inflation remained high due to energy costs, while underlying inflation showed signs of moderation. Producers are facing similar energy-driven inflation. Goods prices increased 1.1% during the month of August, a third of which is attributed to diesel fuel, which rose over 24% during the month. We expect September's report to show another significant increase with crude oil rising from roughly $80 to over $100 so far this month.

In case you missed it: Watch Kevin Simpson on CNBC's 'Halftime Report'

Trade Tracker: Kevin Simpson buys UnitedHealth

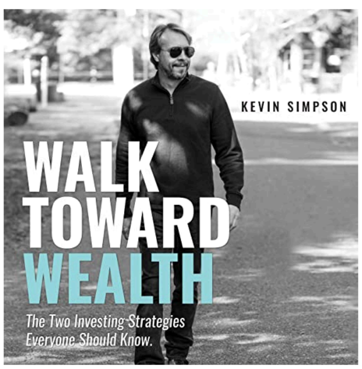
Learn more about Capital Wealth Planning.

Visit our Website

The Road Ahead

The FOMC meeting and interest rate decision will take center stage this week. The Street is expecting the Fed to raise interest rates by the end of the year, and energy-driven inflation readings incite the Fed to start this week. Chairman Warsh has been very clear lately that bringing inflation back to the central bank's target is its priority. The ongoing Middle Eastern conflict and elevated oil prices are actively working against that goal. This week's meeting will also include an updated Summary of Economic Projections. The release could give us insight into how aggressive a hiking cycle we could be looking at. Historically, the Fed rarely stops with a single move.

Thank you for your continued trust and confidence!



Audiobook Now Available!

Hear Kevin share the two investing strategies everyone should know.

Listen Now

CAPITAL WEALTH PLANNING, LLC

Investment Advisory Firm

9015 Strada Stell Court, Suite 203

Naples, Florida 34109

Phone- 239.593.2100

Fax- 239.593.2110

Email CWP

PLEASE READ: The above information is deemed to be accurate and obtained by reliable and noted sources.

Capital Wealth Planning, LLC is an SEC registered investment advisory firm located in Naples, Florida. Capital Wealth Planning and its representatives are in compliance with the current registration requirements imposed upon registered investment advisors by those states in which it maintains clients. Capital Wealth Planning may only transact business in those states in which it is registered or qualifies for an exemption or exclusion from registration requirements. This communication is not intended for the giving of investment advice to any single investor or group of investors and no investor should rely upon or make any investment decisions based solely upon contents of the communication.

Capital Wealth Planning, LLC only transacts business in states where it is properly registered or in compliance with applicable state regulations. Individualized responses that involve actual or contemplated securities transactions or the rendering of personal investment advice for compensation will not be made absent compliance with all applicable investment adviser regulation requirements. Please contact the sender if there are any questions.

Indices Descriptions: The Standard & Poor's 500 Index (S&P 500) is an index with 500 of the top companies in the U.S. and represents approximately 80% of the total value of the U.S. stock market. The Dow Jones Industrial Average (DJIA) is a price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities. The Nasdaq Composite Index is a market-capitalization-weighted index of all the stocks traded on the Nasdaq stock exchange.

This material is informational only and does not consider your particular investment objectives, financial situation or needs and is not intended as recommendations appropriate for you. You must make an independent decision regarding investments, or any strategies mentioned by this report. The opinions or views of CWP expressed in this piece are based on information available at the time of release and are subject to change without notice. Some information in this report has been sourced from third parties which CWP believes to be reliable but has not independently verified and therefore its accuracy cannot be guaranteed.

Join Our Mailing List