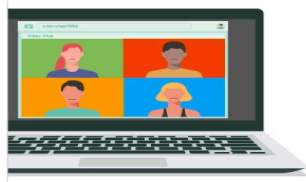




Technology Layoffs Signals Labor Shift

During the third quarter of 2022, leading up to and entering the fourth quarter of 2022, massive layoffs are becoming increasingly common in the technology sector. Companies such as Twitter (recently purchased by Elon Musk) and Amazon have both had to downsize their workforces due to rising costs and slipping profits. This is especially troubling because tech profits are typically based on long-term growth projections; this makes it difficult for companies to continue employing their current labor force in a less-than-optimal economy. It remains uncertain whether or not these layoffs will reach beyond just the tech sector, but their impact is already becoming apparent.

Analysts in the tech sector are interpreting the current wave of layoffs from an economic standpoint. Some believe the decline in employment signals a broader economic contraction. In contrast, others consider it a necessary rebalance after years of growth and excessive spending during low-interest rates, but most agree there is still more room for more downside in the near future.

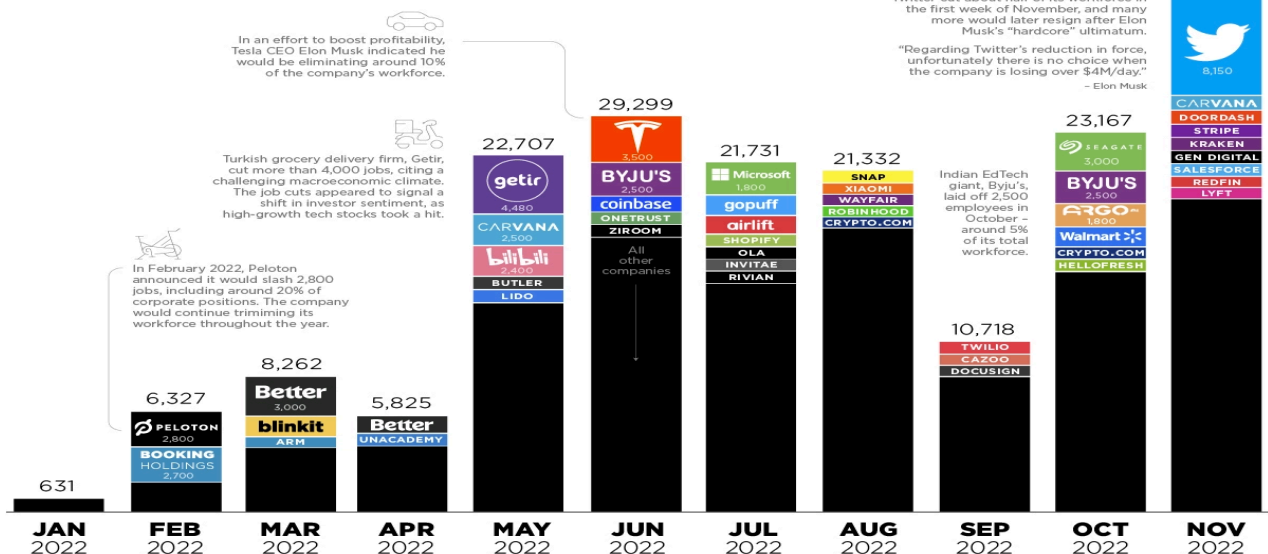


visualcapitalist.com

TRACKING TECH LAYOFFS IN 2022

After a spree of hiring during the tech industry's pandemic boom, the industry is facing some tough choices as economic headwinds increase. In the U.S. alone, close to 90,000 workers at tech companies have now been let go over the course of 2022.

How many more cuts will come before the year ends?



"I've decided to reduce the size of our team by about 13% and let more than 11,000 of our talented employees go. We are also [...] extending our hiring freeze through Q1."
- Mark Zuckerberg

In November, Amazon revealed it would lay off 10,000 employees, with the Alexa division being impacted in particular.

Twitter cut about half of its workforce in the first week of November, and many more would later resign after Elon Musk's "hardcore" ultimatum.

"Regarding Twitter's reduction in force, unfortunately there is no choice when the company is losing over \$4M/day."
- Elon Musk

In an effort to boost profitability, Tesla CEO Elon Musk indicated he would be eliminating around 10% of the company's workforce.

Turkish grocery delivery firm, Getir, cut more than 4,000 jobs, citing a challenging macroeconomic climate. The job cuts appeared to signal a shift in investor sentiment, as high-growth tech stocks took a hit.

In February 2022, Peloton announced it would slash 2,800 jobs, including around 20% of corporate positions. The company would continue trimming its workforce throughout the year.

Indian EdTech giant, Byju's, laid off 2,500 employees in October - around 5% of its total workforce.

Source: trueup.io/layoffs

Source: Visual Capitalist

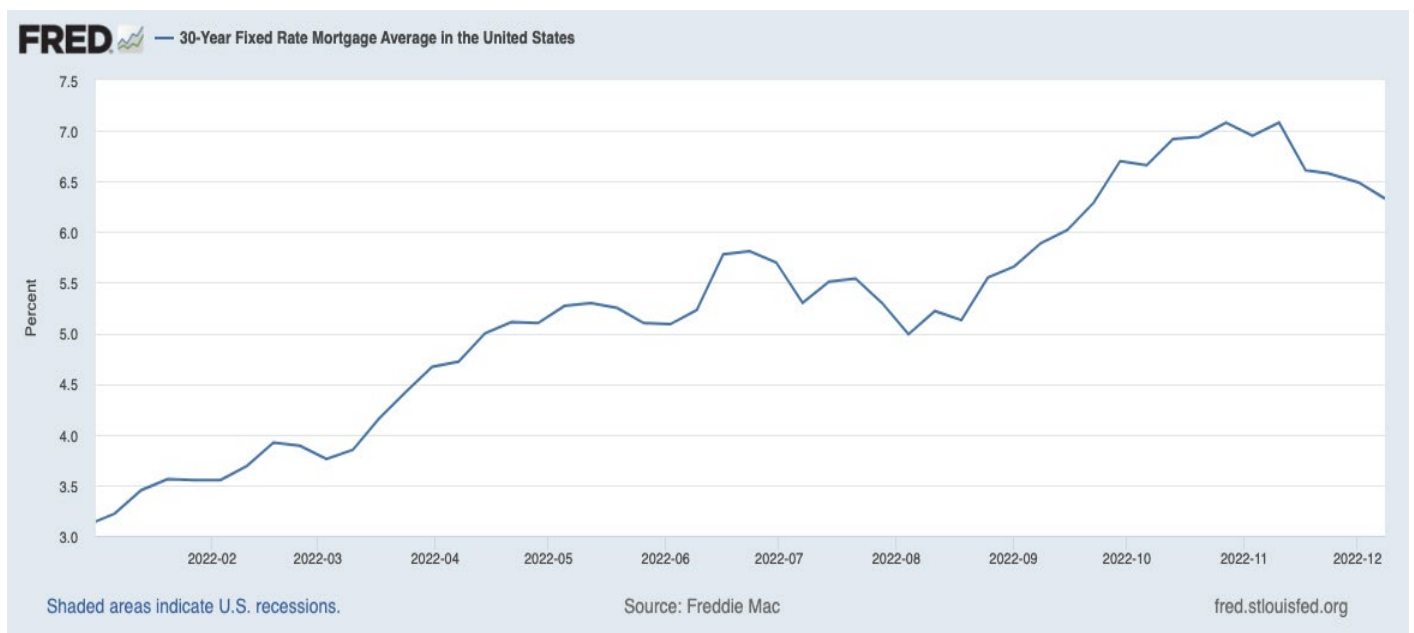
Inflation's First Sign of Ease

This month's inflation data has the potential to be a significant indication of consumer price inflation levels in the coming weeks, as it provides insight ahead of next week's anticipated official figures. As we witnessed earlier in October, when consumer price inflation fell to its lowest level since January, economists fear that a higher-than-expected November reading may drive further aggressive interest rate rises from the US Federal Reserve. This could prove troublesome for households dealing with already increasing costs, even during this holiday period. As such, close attention should be paid to the upcoming reports, which will serve as a critical marker for economic growth and stability of prices in the coming months.

The Financial Times report regarding inflation in the prices paid for US goods and services in November revealed that, although it cooled slightly from October's 8.1 percent rate, it was higher than what economists had predicted -- 7.4 as opposed to a forecasted 7.2 percent. The primary factor driving this divergence was higher-than-expected food costs, which softened the effects of lower petrol prices. While this is a glimmer of good news among challenging economic times, with headline figures slowing after they peaked in March at 11.7 percent -- the quickest since 2014 -- there remains much to be done before Americans see relief in their cost of living.

Fed Rate Hikes May Taper Soon

At the November Federal Reserve meeting, officials agreed it was soon time to begin slowing interest rate increases. In doing so, they intend to clarify how high rates may eventually rise, affecting the housing market, labor market, and consumer debt. The housing market's cooling is already being seen as home prices stagnate in many areas and mortgage availability dampens. Likewise, a tighter labor market is appearing due to difficulty in hiring while wages remain stagnate in many regions. As interest rates continue rising, consumer debt will also become more difficult to bear, increasing monthly expenses eating into their paychecks. It's clear that officials are trying to stay ahead of these developments with an emphasis on getting out in front of potential issues that may arise due to rising interest rates.



[Source: Fred](#)

FTX and Crypto Collapse

In a remarkable turn of events over the last two months, FTX, one of the world's largest crypto exchanges, imploded amidst a stunning scandal. Founder Sam Bankman-Fried, more commonly referred to as SBF, and his entire company was entangled in its dramatic collapse, which quickly dragged other esteemed high-profile exchanges and firms - including Binance - flying along for an unpredictable journey. It is perceived as the most significant crypto crash since TerraUSD and LUNA were mired in controversy earlier this year. The reverberations of this scandal have been felt across multiple sectors, with keen observers noting that it highlights the ever-volatile nature of cryptocurrency markets which can move in drastic ways within a very short time despite appearing outwardly stable on the surface. A complete timeline of the collapse can be found [here](#).

What's New at Lake Street

Lake Street has added a new member to the team! Anna DiSalvo is our newest client associate that will help support Lake Street's growing client base. Prior to joining Lake Street, Anna served as a Client Service Specialist at Ameriprise Financial Services. To learn more about Anna, please check out her bio on our website below!

[Anna DiSalvo](#)

Articles We're Reading

Wholesale prices rose 0.3% in November, more than expected, despite hopes that inflation is cooling... [\(link\)](#)

Blackstone chief defends real estate fund amid rush for withdrawals... [\(link\)](#)

U.S. lawmakers push for more oversight of Elon Musk's Neuralink [\(link\)](#)

Brittney Griner returns to U.S. after release from Russia ... [\(link\)](#)

Market Snapshot

For the Month Ending 11/30/2022 (Cumulative Returns)¹

United States Markets	1-Month	3-Month	YTD	1-Year
Dow Jones Industrial Average	5.67%	9.77%	-4.81%	0.31%
S&P 500	5.38%	3.16%	-14.39%	-10.66%
The NASDAQ Composite	4.37%	-2.95%	-26.70%	-26.19%
U.S. Mid Cap	6.37%	4.22%	-12.75%	-9.24%
U.S. Small Cap	4.20%	3.64%	-14.19%	-11.38%

Global Markets	1-Month	3-Month	YTD	1-Year
Nikkei 225	1.38%	-0.44%	-2.86%	0.53%
Hang Seng	26.62%	-6.80%	-20.52%	-20.78%
Shanghai Comp	8.91%	-1.59%	-13.42%	-11.58%
FTSE 100	6.74%	3.97%	2.55%	7.28%
DAX	8.63%	12.17%	-9.37%	-4.66%

Fixed Income	1-Month	3-Month	YTD	1-Year
Corporate Bonds	6.65%	-0.48%	-16.64%	-16.67%
Municipal Bonds	4.84%	1.04%	-7.10%	-7.11%
High Yield Bonds	3.43%	2.90%	-9.40%	-7.33%

Market Indicators	Rate	Market Indicators	Value
10 Year Treasury	3.53%	WTI Crude Oil	80.55
Fed Funds Target	3.75 to 4.00%	Gold - Spot Price	1,759.90
Inflation Rate	7.7%	U.S. Dollar	105.95
Unemployment Rate	3.7%	CBOE Volatility Index	20.58

¹Source – Morningstar, Inc. Corporate Bonds is presented as the iShares iBoxx \$ Investment Grade Corporate Bond ETF. Municipal Bonds is presented as the iShares National Municipal Bond ETF. High Yield Bonds is presented as the iShares iBoxx \$ High Yield Corporate Bond ETF. 10 Year Treasury refers to the valuation of a 10 Year Treasury Note, a debt obligation issued by the U.S. Department of the Treasury. Fed Funds Target represents upper limit of the federal funds target range established by the Federal Open Market Committee. Inflation Rate provided for the purposes of this report by the U.S. Bureau of Labor Statistics. Unemployment Rate calculated by the U.S. Bureau of Labor Statistics. WTI Crude Oil refers to the price of a barrel of West Texas Intermediate (NYMEX) Crude Oil. Gold – Spot Price relates to the valuation of an ounce of gold, as traded on the NYSE Arca Exchange. U.S. Dollar refers to the U.S. Dollar Index (DXY). All Returns are denominated in USD (United States Dollar), unless otherwise explicitly noted.

Did You Know?

December has always been an exciting and festive time of year, with many different cultures having their own set of unique holidays and traditions. In ancient Rome, December was celebrated with the winter-long Saturnalia festival, while in Ancient Greece, people honored the god Dionysus as part of the world's oldest mystery religion. Christians follow a liturgical calendar that marks December 25th as Christmas, but many other faith groups also observe their own special days during the last month of the year.

Hanukkah is regularly celebrated on or near December 12th by followers of Judaism, while Shinto adherents honor the Kami alongside themes like new beginnings and health. Muslims mark their first Hijra on December 27th and Sikhs celebrate Guru Nanak's birthday on December 28th. Throughout its history, gathering around a holiday season has been a way for people to stay connected to each other and individual cultures' unique stories from generation to generation.

Presented by the Investment Committee of Lake Street, an SEC Registered Investment Adviser

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