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# Business TUESDAY

14

Tuesday, June 14, 2022

Statesboro Herald  
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## Tormenta looking for Crypto-based opportunities

From staff reports

South Georgia Tormenta FC announced an agreement Monday with Atlantic International Capital's Digital Asset Group to identify Crypto-based sponsors for its USL League One soccer team and entertainment facility. "All professional sports organizations seek to be associated with the best in class, and our partnership with AIC is one of the critical components we have been seeking as we enhance



the experiences and memories that come with our stadium and larger entertainment district,"

Tormenta FC president and co-owner Darin Van Tassel said.

Tormenta FC is constructing a 5,300-seat soccer-specific stadium in Statesboro. Being built next to The Clubhouse on Old Register Road, the new venue will provide a professional soccer experience for fans and players in a "live, work, eat, play entertainment district," Van Tassel said. The club has also established a soccer academy system throughout South Georgia and the



Lowcountry of South Carolina.

The team's next home game is 7:30 p.m. Sunday, June 19 at Erk Russell Park. Van Tassel said the team hopes to play its first game on the finished field of the under-construction stadium in July or August.

Atlantic International Capital's Digital Asset Group and Tormenta FC announced that they will identify Crypto-based companies looking for sponsorship for both the team and the entertainment facility that is part of the entire complex where the team plays.

Tormenta is in a great demographic market and has close ties to Georgia Southern University and its student and alumnus bases. The role that Crypto-based sponsorships with sports facilities throughout the country make this a formidable opportunity for all parties, he said.

"AIC is thrilled to be a part of Darin's dynamic project and vision," AIC Director of Business Development Rich Kinzler

See **CRYPTO**, page 15

### Business Focus

# Officially a 'bear' market

Stock declines reach 20% since highs in January

By **ALEX VEIGA** and **STAN CHOE**  
AP Business Writers

NEW YORK — Wall Street is opening the week with more losses, and the S&P 500 has fallen to a level that market observers consider to be a bear market.

Rising interest rates, high inflation, the war in Ukraine and a slowdown in China's economy have led investors to reconsider what they're willing to pay for a wide range of stocks, from high-flying tech companies to traditional automakers. Big swings have become commonplace and Monday appears to be no exception.

The last bear market happened just two years ago, but this would still be a first for those investors that got their start trading on their phones during the

REX	STZ	UVE	AFGE	CEIX	DMX	EVN
RLJ	SUM	VBF	AHJ	CHE	DLX	EXG
RWT	SWM	VGM	AHT	CIF	DNOW	FXF
SCD	SWZ	VRH	AIC		DSU	FAM
SEE	TAP	VKQ	AIO	CMP	DTB	FCT
SEM	TBB	VMI	APRN	CMS	DTP	FDEU
SIX	TBC	VPG	ARC	CNSA	DTW	FFC
SJW	TGH	VSH	ARI	CMSC	ED	FOF
SO	THR	VTN	ARNC	CMSD	DUK	FR
SOJC	TPVG	WTM	ATGE	CSTM	DUKB	FRA
SQJ	TREX	YUM	AZZ	DCI	EARN	FUN
SOJE	TRQ	YUMC	BANC		ED	GCV
					EDD	GGT



A trio of specialists work at a post on the floor of the stock exchange in New York. Stocks on Wall Street fell sharply Monday after getting hammered by data showing inflation is getting worse, not better, as investors were hoping.

See **BEAR**, page 15

## Georgia agencies seek local road grants

Capital Beat News Service

While June typically kicks off vacation season, it's turning out to be a busy month for local transportation officials across Georgia.

City and county transportation agencies are scrambling to put together project lists to submit ahead of a June 30 deadline for an initial round of grants through the \$1.2 trillion bipartisan infrastructure spending bill President Joe Biden signed into law last November.

"After years of promises, the Biden-Harris administration has acted," U.S. Transportation Secretary Pete Buttigieg said Thursday as he rolled out a portion of the initiative, \$12.5 billion earmarked for bridge projects.

"We are getting to work now fixing roads and bridges across America. ... This work is vital. It is urgent."

By far the largest portion of Georgia's share of the funding — \$8.9 billion — will go to repair and rebuild

See **ROADS**, page 15

### Business briefs

From wire reports

#### Georgia Power tests hydrogen fuel blend at Plant McDonough

Georgia Power completed a demonstration project this week blending hydrogen with natural gas at the utility's Plant McDonough-Atkinson in Smyrna.

The project was the first to test a blend of 20% hydrogen in a natural gas turbine in North America. The blend produced a 7% reduction in carbon emis-

sions at a plant that burned coal until switching to gas a decade ago.

Georgia Power, a subsidiary of Atlanta-based Southern Company, worked in partnership with Mitsubishi Power.

"This monumental hydrogen demonstration project at Plant McDonough-Atkinson is another example of how, at Georgia Power and Southern Company, we are building the future of energy today," said Allen Reaves, senior vice president and senior production officer at

Georgia Power.

"This demonstration helps pave the way for long-term clean and carbon-free use for already existing infrastructure. Making these smart investments today on behalf of our customers ensures we can continue to provide clean, safe, reliable and affordable energy as Georgia grows and thrives for decades to come."

The Washington, D.C.-based Electric Power Research Institute (EPRI), an independent non-profit energy research and devel-

opment organization, supported the development of the project. EPRI researchers were on-site during the testing, and the organization will publish a detailed report on the testing and results later this summer.

#### FBI warns Georgia, other states of fraud scheme

CHARLOTTE — The FBI in North Carolina is warning businesses in eight states about a scheme in which people are using stolen credit card numbers to

make large purchases by telephone.

A news release from the agency's Charlotte Division says victims have been targeted in North Carolina, South Carolina, Virginia, Georgia, Alabama, Florida, West Virginia, and Kentucky. The FBI said that so far in 2022, more than 100 businesses have been targeted, including tire stores, furniture stores, lumber companies, trailer businesses, and appliance stores.

According to the news release, once a purchase

was made over the phone, items are picked up by drivers and taken to other states for resale. In many cases, drivers were hired through online job sites and paid using third party cash applications and were not aware the items were purchased illegally, the FBI said.

Days later, the victim businesses learned the sales were fraudulent. FBI Charlotte is working with several local law enforcement agencies on the investigation. The news release said.

# Bear market hits as stocks, bonds, crypto dive

By STAN CHOE  
AP Business Writer

NEW YORK — Wall Street tumbled into what's called a bear market Monday after fears about a fragile economy and rising interest rates sent the S&P 500 more than 20% below its record set early this year.

The index sank 3.9% in the first chance for investors to trade after getting the weekend to reflect on the stunning news that inflation is getting worse, not better. The Dow Jones Industrial Average was down more

than 1,000 points before finishing with a loss of 876.

At the center of the sell-off again was the Federal Reserve, which is scrambling to get inflation under control. Its main method to do that is to raise interest rates to slow the economy, a blunt tool that risks a recession if used too aggressively.

With the Fed seemingly pinned into having to get more aggressive, prices fell in a worldwide rout for everything from bonds to bitcoin, from New York to New Zealand. Some of the sharpest drops hit what had

been big winners of the easier low-rate era, such as high-growth technology stocks and other former darlings of investors. Tesla slumped 7.1%, and Amazon dropped 5.5%. GameStop tumbled 8.4%.

"The best thing people can do is to not panic and don't sell at the bottom," said Randy Frederick, managing director of trading and derivatives at the Schwab Center for Financial Research, "and we're probably not at the bottom."

Some economists are speculating the Fed on

Wednesday may raise its key rate by three-quarters of a percentage point. That's triple the usual amount and something the Fed hasn't done since 1994. Traders now see a 28% probability of such a mega-hike, up from just 3% a week ago, according to CME Group.

No one thinks the Fed will stop there, with markets bracing for a continued series of bigger-than-usual hikes. Those would come on top of some discouraging signals about the economy and corporate profits, including a record-low pre-

liminary reading on consumer sentiment soured by high gasoline prices.

The economy is still holding up overall, but the danger is that the job market and other factors are so hot that they will feed into higher inflation. That's why the Fed is in the midst of a whiplash pivot away from the record-low interest rates it engineered earlier in the pandemic, which propped up stocks and other investments amid hopes of juicing the economy.

Wall Street's sobering realization that inflation is

accelerating, not peaking, is also sending U.S. bond yields to their highest levels in more than a decade. The two-year Treasury yield shot to 3.36% from 3.06% late Friday in its second straight major move. It earlier touched its highest level since 2007.

The S&P 500 has lost nearly 9% in just three days. That's its worst such stretch since the coronavirus crash in March 2020. The Dow lost 876.05, or 2.8%, to 30,516.74, and the Nasdaq composite dropped 530.80, or 4.7% to 10,809.23.

## Stock market declines signal a bear market; here's what that means

**Continued from page 14**  
pandemic. Thanks in large part to extraordinary actions by the Federal Reserve, stocks have for years seemed to go largely in only one direction: up. The "buy the dip" rallying cry after every market slide has grown more faint after stinging losses and severe plunges in risky assets like cryptocurrencies. Bitcoin tumbled another 12% and fell below \$24,000 early Monday. The price for Bitcoin neared \$68,000 late last year.

Here are some common questions asked about bear markets

### Why is it called a bear market?

A bear market is a term used by Wall Street when an index like the S&P 500, the Dow Jones Industrial Average, or even an individual stock, has fallen 20% or more from a recent high for a sustained period of time.

Why use a bear to represent a market slump? Bears hibernate, so bears represent a market that's retreating, said Sam Stovall, chief investment strategist at CFRA. In contrast, Wall Street's nickname for a surging stock market is a bull market, because bulls charge, Stovall said.

The S&P 500, Wall Street's main barometer of health, slid more than 2.6% in early trading Monday to 3,800. That's nearly 21% below the high set on Jan. 3. The Nasdaq is already in a bear market, down 31.5%

from its peak of 16,057.44 on Nov. 19. The Dow Jones Industrial Average is more than 16% below its most-recent peak.

The most recent bear market for the S&P 500 ran from February 19, 2020 through March 23, 2020. The index fell 34% in that one-month period. It's the shortest bear market ever.

### What's bothering investors?

Market enemy No. 1 is interest rates, which are rising quickly as a result of the high inflation battering the economy. Low rates act like steroids for stocks and other investments, and Wall Street is now going through withdrawal.

The Federal Reserve has made an aggressive pivot away from propping up financial markets and the economy with record-low rates and is focused on fighting inflation. The central bank has already raised its key short-term interest rate from its record low near zero, which had encouraged investors to move their money into riskier assets like stocks or cryptocurrencies to get better returns.

Last month, the Fed signaled additional rate increases of double the usual amount are likely in upcoming months. Consumer prices are at the highest level in four decades, and rose 8.6% in May compared with a year ago.

The moves by design will slow the economy by

making it more expensive to borrow. The risk is the Fed could cause a recession if it raises rates too high or too quickly.

Russia's war in Ukraine has also put upward pressure on inflation by pushing up commodities prices. And worries about China's economy, the world's second largest, have added to the gloom.

### So, we just need to avoid a recession?

Even if the Fed can pull off the delicate task of tamping down inflation without triggering a downturn, higher interest rates still put downward pressure on stocks.

If customers are paying more to borrow money, they can't buy as much stuff, so less revenue flows to a company's bottom line. Stocks tend to track profits over time. Higher rates also make investors less willing to pay elevated prices for stocks, which are riskier than bonds, when bonds are suddenly paying more in interest thanks to the Fed.

Critics said the overall stock market came into the year looking pricey versus history. Big technology stocks and other winners of the pandemic were seen as the most expensive, and those stocks have been the most punished as rates have risen. But the pain is spreading widely, with retailers signaling a shift in consumer behavior.

Stocks have declined almost 35% on average

when a bear market coincides with a recession. The risk is the Fed compared with a nearly 24% drop when the economy avoids a recession, according to Ryan Detrick, chief market strategist at LPL Financial.

### So I should sell everything now, right?

If you need the money now or want to lock in the losses, yes. Otherwise, many advisers suggest riding through the ups and downs while remembering the swings are the price of admission for the stronger returns that stocks have provided over the long term.

While dumping stocks would stop the bleeding, it would also prevent any potential gains. Many of the best days for Wall Street have occurred either during a bear market or just after the end of one. That includes two separate days in the middle of the 2007-2009 bear market where the S&P 500 surged roughly 11%, as well as leaps of better than 9% during and shortly after the roughly monthlong 2020 bear market.

Advisers suggest putting money into stocks only if it won't be needed for several years. The S&P 500 has come back from every one of its prior bear markets to eventually rise to another all-time high.

The down decade for the stock market following the 2000 bursting of the dot-com bubble was a notoriously brutal stretch, but stocks have often been able to regain their highs within a few years.

### How long do bear markets last and how deep do they go?

On average, bear markets have taken 13 months to go from peak to trough

and 27 months to get back to breakeven since World War II. The S&P 500 index has fallen an average of 33% during bear markets in that time. The biggest decline since 1945 occurred in the 2007-2009 bear market when the S&P 500 fell 57%.

History shows that the faster an index enters into a bear market, the shallower they tend to be. Historically, stocks have often been able to regain their highs within a few years.

The longest bear market lasted 61 months and ended in March 1942 and cut the index by 60%.

## Ga. deciding on road projects

**Continued from page 14**  
roads and highways. Another \$1.4 billion will help finance public transit projects, with allocations of fewer than \$1 billion each going toward water and sewer systems, airports, bridges, electric vehicle charging stations and broadband.

Bill Twomey, county consulting services manager for the Association County Commissioners of Georgia, said Georgia's larger counties will have an advantage over the smaller counties in applying for grants because their transportation agencies tend to have larger staffs that are familiar with federal procurement requirements.

However, the rules are different this time, Twomey said.

"In the past, the highway crew for the state [Department of Transportation] was usually to go-between on a lot of these federal programs," said. "That is not the case

[this time.] ... That's going to be a hurdle for some counties."

Becky Taylor, director of federal relations and research for the Georgia Municipal Association (GMA), said her organization is helping city officials navigate the complexities of seeking federal grant funding.

The GMA has created a page on its website at <https://www.gacities.com/BIL.aspx> to serve as a clearinghouse for information on how to apply for grants through the infrastructure spending bill.

Taylor also pointed to the [build.gov](https://www.build.gov) website developed by the White House.

"It has a chart and matrix showing program types and what agency you need to apply to," she said. "There are going to be about 400 programs."

The GMA also will feature a panel session on the infrastructure law at its annual convention in

Savannah late this month. The panel will include representatives of the White House, the U.S. Department of Transportation and the Georgia Environmental Finance Authority.

Taylor said the various regional planning commissions around the state also will help city transportation agencies prepare and submit project lists, a role the ARC already has performed in metro Atlanta.

Twomey said the opportunity the infrastructure spending bill represents for local governments is huge, if they can clear the bureaucratic obstacles to landing grants.

"This is a considerable amount of new funding compared to what's been out there in the past," he said.

"The net result is going to depend on whether cities and counties think they can take advantage of the program and adhere to federal guidelines."

## Tormenta looking at Crypto

**Continued from page 14**  
said. "Tormenta FC's objective to merge professional sports, retail, lifestyle, and entertainment will transform the pulse and economic future of Statesboro from a college town to a world-class community and experiential

destination. The mixed-use development provides sponsors a myriad of best-in-class sponsor assets and multiple touch points that engage a highly coveted demographic."

Atlantic International Capital Digital Asset Group - Atlantic has

worked for 30 years with domestic and international companies providing advisory and capital formation services.

The company is headquartered in Boca Raton, Fla., and has regional offices in New York and Switzerland.