

July 2022 Market Watch

U.S. markets reversed last month's losses with the S&P 500 closing up +9.1% to end its best month since Nov 2020. The Dow was up +6.7% and NASDAQ was up +12.3%. Second quarter earnings helped this month as many tech and consumer companies reported better than expected results. However, the market shifted attention from inflation to slowing growth as the U.S. Fed Reserve increased rates by 75 basis points (bps) for the second consecutive month, the largest two-month increase in the federal funds rate (150 bps) since the early-1980s.

Growth concerns were the focus as inflation soared to new highs in July at 9.1% year-on-year. July's flash PMIs reflected U.S. activity slipping into contraction with the composite index printing 47.5 due to a fall to 47.0 in the services sector, while manufacturing remained in expansionary territory at 52.3. Furthermore, Q2 2022 real GDP growth contracted -0.9% quarter-on-quarter (following a Q1 contraction of -1.6%). On a positive note, labor markets remained a bright spot. Fed Chair Powell pivoted away from guidance, allowing the FOMC more flexibility for upcoming meetings based on evolving economic data.

The theme that will remain in focus is how global central banks will navigate policies to fight rising inflation and slowing growth.

	Date	1 Week Ago		1 Month Ago		YTD	1 Year Ago	
	7/31/22	7/24/22	% chg*	6/30/22	% chg*	% chg*	7/31/21	% chg*
DJIA	32,845.1	31,899.3	3.0%	30,775.4	6.7%	-9.6%	34,935.5	-6.0%
S&P 500	4,130.3	3,961.6	4.3%	3,785.4	9.1%	-13.3%	4,395.3	-6.0%
NYSE Comp Index	15,327.7	14,790.8	3.6%	14,487.6	5.8%	-10.7%	16,602.3	-7.7%
NASDAQ Composite	12,390.7	11,834.1	4.7%	11,028.7	12.3%	-20.8%	14,672.7	-15.6%
Russell 2000	1,885.2	1,806.9	4.3%	1,708.0	10.4%	-16.0%	2,226.2	-15.3%
MSCI EM (Emerging Markets)	993.8	990.4	0.3%	1,000.7	-0.7%	-19.3%	1,277.8	-22.2%
MSCI EAFE	1,937.3	1,897.4	2.1%	1,846.3	4.9%	-17.1%	2,321.1	-16.5%
Japan Nikkei 225	27,801.6	27,914.7	-0.4%	26,393.0	5.3%	-3.4%	27,283.6	1.9%
FTSE 100	7,423.4	7,276.4	2.0%	7,169.3	3.5%	2.7%	7,032.3	5.6%
SSE Comp Index	3,253.2	3,270.0	-0.5%	3,398.6	-4.3%	-10.6%	3,397.4	-4.2%

US Equity Sector Performance

	July	YTD	1 Yr Ret.
Consumer Discretionary	18.9%	-20.1%	-10.3%
Consumer Staples	3.3%	-2.5%	7.4%
Energy	9.7%	44.7%	67.4%
Financials	7.2%	-12.9%	-6.0%
Health Care	3.3%	-5.3%	1.8%
Industrials	9.5%	-8.9%	-6.0%
Information Tech	13.5%	-17.0%	-5.5%
Materials	6.1%	-12.9%	-5.1%
Communication Services	3.7%	-27.6%	-29.0%
Utilities	5.5%	4.9%	15.6%
Real Estate	8.3%	-12.9%	-1.3%

US Equity Style Performance

	July	YTD	1 Yr Ret.
Dow Jones Utilities	5.7%	4.4%	12.9%
DJ TRANS Avg.	11.0%	-10.7%	2.3%
Russell 1000 Value	6.6%	-7.1%	-1.4%
Russell 1000 Growth	12.0%	-19.4%	-11.9%
Russell 2000 Value	9.7%	-9.3%	-4.8%
Russell 2000 Growth	11.2%	-21.6%	-23.2%

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Bond Markets (%)

	7/31/22	1 Mth Ago	1 Yr Ago
US Benchmark Bond – 3 Mth	2.33	1.64	0.05
US Benchmark Bond – 6 Mth	2.79	2.42	0.06
US Benchmark Bond – 2 Yr	2.90	2.93	0.18
US Benchmark Bond – 5 Yr	2.70	3.00	0.70
US Benchmark Bond – 10 Yr	2.64	2.98	1.23
US Benchmark Bond – 30 Yr	2.98	3.12	1.89

US Bond Sector Performance

	July	YTD	1 Yr Ret.
Bloomberg Barclays U.S. Govt. Intrm. TR	1.33%	-4.52%	-5.80%

Exchange Rates (per US dollar)

	7/31/22	1 Mth Ago	1 Yr Ago
Canadian Dollar	1.281	1.290	1.248
Mexican Peso	20.361	20.176	19.860
Euro	0.981	0.957	0.843
British Pound	0.822	0.823	0.719
Swiss Franc	0.952	0.957	0.906
Chinese Yuan	6.737	6.694	6.456
Indian Rupee	79.261	78.973	74.415
Japanese Yen	133.650	135.855	109.750

Commodities (In US dollars)

	7/31/22	1 Mth Ago	1 Yr Ago
Gold	1,785.20	1,807.30	1,817.20
Crude Oil	93.85	105.76	73.95
US Dollar Index	105.17	104.46	92.19
Bloomberg Commodity Index	121.83	117.05	96.28

Interest Rates (%)

	7/31/22	1 Mth Ago	1 Yr Ago
Prime Rate	5.50	4.75	3.25
Federal Funds Rate	1.58	1.58	0.10
Libor Rate 30 Day	2.37	1.79	0.09
Libor Rate 3 Months	2.78	2.29	0.12
30yr Fixed Mortgage	5.30	5.70	2.80

Economic Sentiment

	7/31/22	1 Yr Ago
Unemployment Rate	3.60%	5.40%
Average Single Family Home	401,600	383,200
Capacity Utilization	80.00%	78.24%

*Performance for world indices represents price returns (excluding dividends) for the DJIA, S&P 500, NASDAQ, Russell 2000, MSCI EM, MSCI EAFE, NYSE, SSE, and Nikkei, due to data availability.

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