

Weekly Market Recap

The week in review

- PPI +11.2% y/y, +1.4% m/m
- Retail sales +0.5% in March

The week ahead

- NAHB home builders' index
- Flash PMIs

Thought of the week

While consumer prices were certainly very hot in March (Headline CPI +1.2% m/m, +8.5% y/y), they were no worse than feared. The Russian invasion of Ukraine continued to weigh heavily on energy (+11.0% m/m) and food (+1.0% m/m) prices. Together they were responsible for 82% of the m/m increase and 40% of the y/y increase. Excluding food and energy, core CPI (+0.3% m/m, +6.5% y/y) moderated by more than expected and saw its slowest monthly gain since September 2021. Price gains in durable goods like used vehicles (-3.8% m/m) showed early signs of easing. Despite this, core services (+0.6% m/m) remained sticky as owners' equivalent rent rose 0.4% m/m and re-opening sectors such as transportation (+2.0% m/m), lodging (+3.3% m/m) and airlines (+10.7% m/m) stayed hot.

Though the March CPI print was modestly encouraging, inflation still remains extremely firm. It continues to weigh heavily on business sentiment and will be an important theme to watch as 1Q earnings roll in. According to the National Federation of Independent Business small business' optimism index, inflation now trumps quality of labor as the single most important problem business owners face, with 72% of firms saying they are being forced to raise their selling prices. All and all, March's CPI report still warrants an aggressive Fed action in the months ahead to cool down consumer prices. Accordingly, the market is pricing in a 90%+ likelihood of a 50 bps hike in May and more than 8 hikes by year-end. Looking ahead, if this is peak inflation and we begin to see softening prints alongside signs that rate hikes are slowing economic activity, that should take some pressure off the Fed. But for now, make sure portfolios are poised to take on rate hikes by opting for high quality stocks with strong dividend potential, high quality and shorter duration bonds for portfolio ballast and alternatives for diversification.

Please see important disclosure on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	4393	-2.37	-2.99	-7.45	8.00	58.94
Dow Jones 30	34451	-0.38	-0.61	-4.68	4.05	39.12
Russell 2000	4983	-0.22	-3.12	-10.41	-9.84	31.30
Russell 1000 Growth	1742	-3.88	-5.57	-14.11	2.74	73.18
Russell 1000 Value	1005	-0.48	-0.37	-1.10	8.70	40.32
MSCI EAFE	2119	-0.26	-2.72	-8.35	-4.02	20.75
MSCI EM	1117	-0.67	-2.00	-8.78	-14.21	11.12
NASDAQ	13351	-3.93	-6.10	-14.50	-3.02	71.46

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	3.28	-1.23	-2.77	-8.54	-7.43	2.67
U.S. Corporates	4.02	-1.98	-3.70	-11.11	-8.68	5.31
Municipals (10yr)	2.76	-0.61	-1.31	-7.46	-6.72	3.33
High Yield	6.61	-0.68	-1.80	-6.55	-3.08	11.13

Key Rates	Levels (%)					
	4/14/22	4/7/22	3/31/22	12/31/21	4/14/21	4/12/19
2-yr U.S. Treasuries	2.47	2.47	2.28	0.73	0.16	2.40
10-yr U.S. Treasuries	2.83	2.66	2.32	1.52	1.64	2.56
30-yr U.S. Treasuries	2.92	2.69	2.44	1.90	2.32	2.97
10-yr German Bund	0.83	0.69	0.55	-0.18	-0.28	0.01
3-mo. LIBOR	1.06	0.99	0.96	0.21	0.18	2.60
3-mo. EURIBOR	-0.45	-0.47	-0.46	-0.57	-0.54	-0.31
6-mo. CD rate	0.15	0.16	0.16	0.14	0.17	0.80
30-yr fixed mortgage	5.13	4.90	4.80	3.33	3.27	4.44
Prime Rate	3.50	3.50	3.50	3.25	3.25	5.50

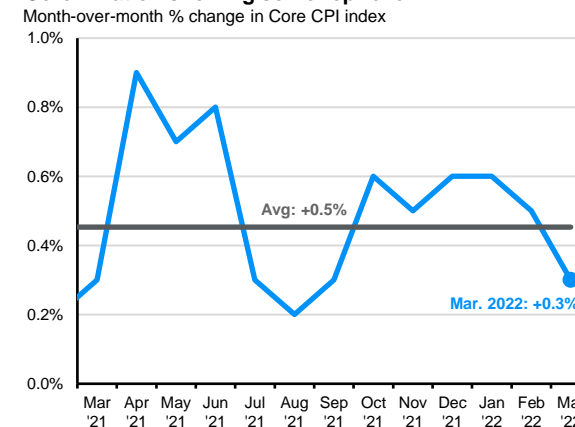
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
18.72	4.30	1.36	80.69
17.55	4.53	1.83	364.97
20.09	2.21	1.05	1.58
25.19	11.57	0.75	58.45
15.10	2.53	1.89	36.01
13.51	1.72	2.88	25.37
11.74	1.72	2.53	17.88
26.33	5.79	0.70	6.59

Currencies	Levels		
	4/14/22	12/31/21	4/14/21
\$ per €	1.08	1.14	1.20
\$ per £	1.30	1.35	1.38
¥ per \$	125.90	115.16	108.73

Commod.	Levels		
	4/14/22	12/31/21	4/14/21
Oil (WTI)	106.95	75.33	63.15
Gasoline	3.41	3.28	2.85
Natural Gas	7.30	3.82	2.65
Gold	1963	1806	1736
Silver	25.66	23.09	25.33
Copper	10277	9692	9011
Corn	7.75	5.86	5.82
BBG Idx	283.13	211.80	183.36

Chart of the Week

Core inflation showing some reprieve



Style Returns

	V	B	G
L	-0.5	-2.4	-3.9
M	0.2	-0.5	-2.0
S	0.8	-0.2	-1.4
	V	B	G
L	-1.1	-7.5	-14.1
M	-2.5	-7.3	-16.0
S	-4.5	-10.4	-16.3

S&P 500 Sector Returns

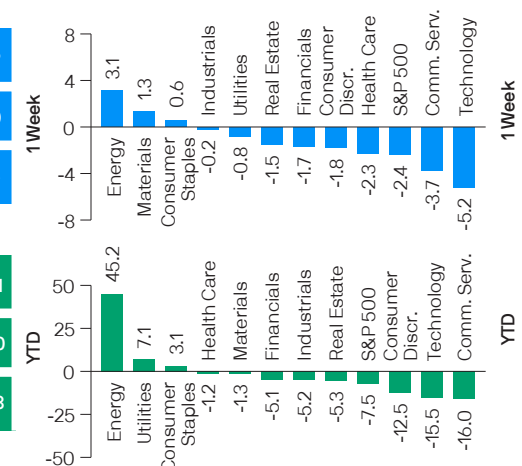




Chart of the Week: Source: BLS, NFIB, J.P. Morgan Asset Management.

Thought of the week: Source: BLS, NFIB, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by

Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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