



Weekly Market Recap

The week in review

- Unemployment remained at 3.6% in May
- JOLTS Job Openings moderated to 11.4K from 11.9K
- S&P Case-Shiller Home Price Index rose 2.4% m/m, 21.2% y/y

The week ahead

- CPI
- Consumer sentiment (flash)
- Trade deficit

Thought of the week

In an environment dominated by fears of recession or run-away inflation, the May Jobs report offers investors some comfort that the economy can find a soft-landing path to avoid both. Businesses added a solid 390K non-farm jobs in May, thanks in part to a tick higher in labor force participation and labor supply flexibility. The unemployment rate also stayed at 3.6% for the third consecutive month, signaling that the labor market is at least tightening more slowly.

Notably, the labor force seems to be adjusting to a more normal economy as it adds jobs where most needed—construction, leisure and hospitality, and education—and sheds jobs where less needed—retail employment, as consumers switch spending from goods to services. The demand side of the labor equation is still running hot but shows its first signs of moderation, with JOLTS job openings falling from its record peak of 11.9K to 11.4K in April. Anecdotally, companies also seem to be positioning to reduce hiring efforts, with mentions of “layoffs” ticking higher in 1Q22 earnings call transcripts. However, economic data continue to show record high hiring efforts and record low layoffs pointing to a very tight labor market, with Challenger data showing companies announced 20.7K layoffs compared to 612.7K hiring announcements in May.

Over the next few months, we expect job gains will continue to moderate as the pace of decline in unemployment reaches a floor slightly below its current 3.6% level. However, the Fed would welcome a cooling off in the labor market and, combined with a moderation in wage growth, such data may suggest that the economy can find its footing on a path of slow and steady growth with low inflation, so long as the Fed has the patience to allow it.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	4109	-1.15	-9.04	-13.23	-0.60	57.44
Dow Jones 30	32900	-0.83	-4.71	-8.62	-3.01	41.33
Russell 2000	4680	-0.22	-8.84	-15.70	-16.44	32.98
Russell 1000 Growth	1577	-0.90	-14.41	-22.15	-5.56	67.31
Russell 1000 Value	962.49	-1.36	-4.31	-5.01	0.04	41.37
MSCI EAFE	2029	-0.28	-5.93	-11.38	-10.65	21.29
MSCI EM	1061	1.78	-6.56	-13.03	-21.24	13.97
NASDAQ	12013	-0.96	-15.39	-22.96	-11.16	67.93

Fixed Income	Yield	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	3.47	-0.88	-3.55	-9.28	-8.35	-0.69
U.S. Corporates	4.31	-0.85	-4.99	-12.30	-10.37	1.55
Municipals (10yr)	2.73	0.43	-0.81	-6.99	-6.52	1.65
High Yield	7.27	-0.35	-3.72	-8.37	-5.84	9.99

Key Rates	Levels (%)					
	6/3/22	5/27/22	3/31/22	12/31/21	6/3/21	6/3/19
2-yr U.S. Treasuries	2.66	2.47	2.28	0.73	0.16	1.82
10-yr U.S. Treasuries	2.96	2.74	2.32	1.52	1.63	2.07
30-yr U.S. Treasuries	3.11	2.97	2.44	1.90	2.30	2.53
10-yr German Bund	1.26	0.95	0.55	-0.18	-0.18	-0.21
3-mo. LIBOR	1.63	1.60	0.96	0.21	0.13	2.48
3-mo. EURIBOR	-0.33	-0.37	-0.46	-0.57	-0.54	-0.32
6-mo. CD rate	0.43	0.42	0.16	0.14	0.16	0.92
30-yr fixed mortgage	5.33	5.33	4.80	3.33	3.17	4.23
Prime Rate	4.00	4.00	3.50	3.25	3.25	5.50

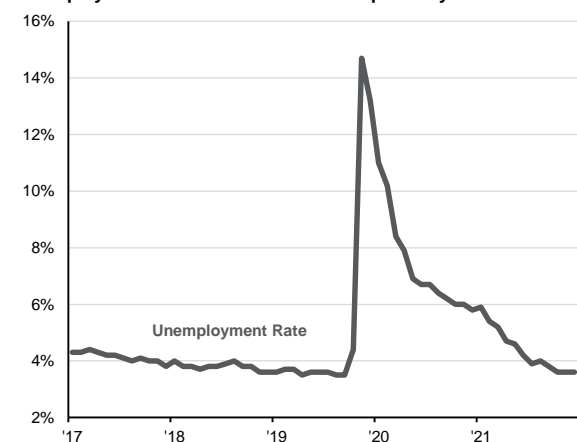
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
17.24	4.15	1.47	74.91
16.48	4.43	1.92	340.65
17.50	2.14	1.16	1.48
22.92	10.82	0.84	53.15
14.09	2.47	1.99	33.99
12.80	1.69	3.12	24.87
11.46	1.70	2.82	17.25
23.78	5.49	0.79	5.91

Levels			
Currencies	6/3/22	12/31/21	6/3/21
\$ per €	1.07	1.14	1.21
\$ per £	1.25	1.35	1.41
¥ per \$	130.73	115.16	110.18

Levels			
Commod.	6/3/22	12/31/21	6/3/21
Oil (WTI)	118.87	75.33	68.81
Gasoline	4.62	3.28	3.03
Natural Gas	8.52	3.82	3.01
Gold	1845	1806	1867
Silver	21.61	23.09	27.76
Copper	9455	9692	9967
Corn	7.12	5.86	6.60
BBG Idx	286.47	211.80	199.13

Chart of the Week

Unemployment steadies at 3.6% after a rapid two years of decline



Style Returns

	V	B	G
L	-1.4	-1.2	-0.9
M	-1.3	-1.2	-0.8
S	-0.1	-0.2	-0.3

	V	B	G
L	-5.0	-13.2	-22.1
M	-6.2	-12.9	-24.8
S	-7.4	-15.7	-23.9

S&P 500 Sector Returns

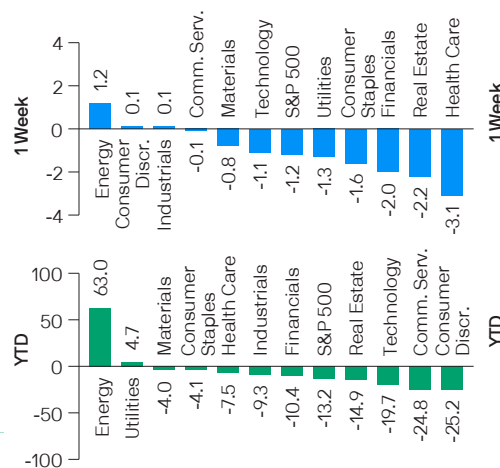




Chart of the Week: Source: BLS, J.P. Morgan Asset Management.

Thought of the week: Source: BLS, Challenger, 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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