

Weekly Market Recap

The week in review

- The July ISM Mfg. PMI dipped to 52.8 from 53.0 in June
- Job openings fell to 10.7M from 11.3M
- Nonfarm payrolls rose 528K, unemployment fell to 3.5%
- Durable goods orders excl. transportation rose 0.4%

The week ahead

- July CPI and PPI
- Preliminary August consumer sentiment
- Import prices

Thought of the week

Following a series of disappointing economic data releases, including a second consecutive negative quarter of GDP growth, the July Jobs report blew past expectations and underscored that the economy still has strong demand for labor and tight supply, which is pushing wages higher. Notably, the labor market has now hit two milestones, having recovered all the payroll jobs lost in the pandemic recession and achieving the lowest unemployment rate (3.46% to two decimals) since May 1969, as shown in the chart.

Job gains were very widespread across industries with the bulk of gains in services. Surprisingly, job growth also accelerated in cyclical sectors such as construction and manufacturing, where activity data has weakened recently. Wages rose a strong 0.5% for all workers with slight upward revisions to recent months, suggesting employees continue to have considerable bargaining power.

Apart from this report, there are still signs in the economy that the huge excess demand for labor is easing. JOLTS job openings have fallen in recent months and unemployment claims have been slowly rising since the middle of March. Moreover, the economy is still facing plenty of drags on growth in the second half of the year. Still, the booming jobs report does provide strong support to Chairman Powell's assertion that the economy is not currently in recession and we will need to see a softening in inflation data over the next few CPI reports (which we expect to happen) for the Fed to dial back its aggressive rate hiking path.

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	4145	0.39	9.64	-12.24	-5.01	53.17
Dow Jones 30	32803	-0.11	6.69	-8.71	-4.60	35.93
Russell 2000	4776	1.96	12.61	-13.77	-13.00	34.11
Russell 1000 Growth	1654	1.52	13.70	-18.22	-11.80	66.74
Russell 1000 Value	936.24	-0.23	6.39	-7.29	-1.88	34.76
MSCI EAFE	1924	-0.65	4.31	-15.77	-15.80	14.47
MSCI EM	1003	0.97	0.81	-16.81	-20.40	11.69
NASDAQ	12658	2.18	14.84	-18.73	-14.40	67.93

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	3.64	-1.04	1.38	-9.11	-10.08	-2.86
U.S. Corporates	4.51	-0.89	2.32	-12.40	-13.39	-2.37
Municipals (10yr)	2.53	-0.01	2.92	-5.57	-6.16	1.29
High Yield	7.65	0.66	6.60	-8.53	-7.24	7.75

Key Rates	Levels (%)					
	8/5/22	7/29/22	6/30/22	12/31/21	8/5/21	8/5/19
2-yr U.S. Treasuries	3.24	2.89	2.92	0.73	0.21	1.59
10-yr U.S. Treasuries	2.83	2.67	2.98	1.52	1.23	1.75
30-yr U.S. Treasuries	3.06	3.00	3.14	1.90	1.86	2.30
10-yr German Bund	0.93	0.85	1.38	-0.18	-0.50	-0.54
3-mo. LIBOR	2.87	2.79	2.29	0.21	0.13	2.21
3-mo. EURIBOR	0.28	0.23	-0.20	-0.57	-0.54	-0.38
6-mo. CD rate	0.83	0.76	N/A	0.14	0.15	0.93
30-yr fixed mortgage	5.43	5.43	5.84	3.33	2.97	4.01
Prime Rate	5.50	5.50	4.75	3.25	3.25	5.25

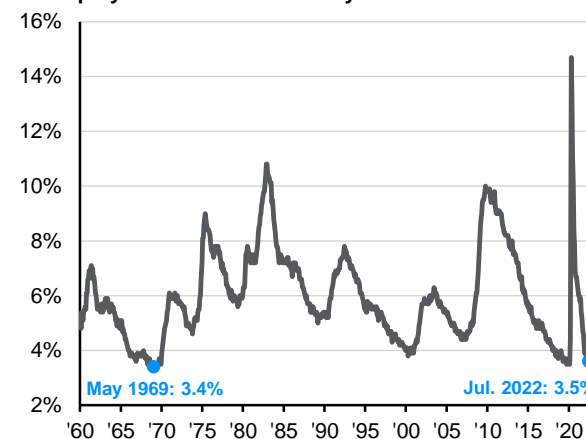
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
17.48	4.11	1.48	34935	
16.53	4.41	1.92	10235	
19.10	2.10	1.17	2505	
24.22	10.70	0.83	20022	
13.66	2.40	2.07	18768	
12.26	1.65	3.23	14186	
11.17	1.65	3.18	6530	
25.57	5.52	0.77	20704	

Currencies	Levels		
	8/5/22	12/31/21	8/5/21
\$ per €	1.02	1.14	1.18
\$ per £	1.21	1.35	1.39
¥ per \$	135.35	115.16	109.70

Commod.	Levels		
	8/5/22	12/31/21	8/5/21
Oil (WTI)	89.01	75.33	69.10
Gasoline	4.19	3.28	3.16
Natural Gas	8.06	3.82	4.27
Gold	1773	1806	1801
Silver	20.06	23.09	25.45
Copper	7831	9692	9429
Corn	6.40	5.86	5.64
BBG Idx	253.14	211.80	203.50

Chart of the Week

Unemployment reaches new 53-year low



Style Returns

	V	B	G
L	-0.2	0.4	1.5
M	-0.2	0.7	2.4
S	0.9	2.0	3.0
	V	B	G
L	-7.3	-12.2	-18.2
M	-9.2	-13.2	-20.7
S	-8.4	-13.8	-19.2

S&P 500 Sector Returns

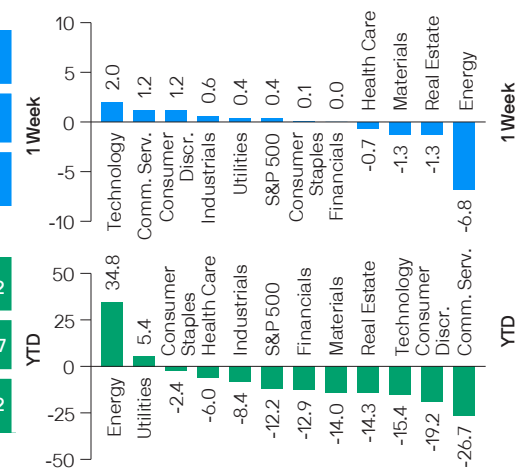




Chart of the Week: Source: BLS, J.P. Morgan Asset Management.

Thought of the week: Source: BLS, 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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