

Weekly Market Recap

The week in review

- New homes sales increased m/m to 685K
- Durable orders: -0.2% m/m
- Consumer confidence rose to 108.0
- Headline/core PCE: 6.2%/4.9% y/y

The week ahead

- Light vehicle sales
- Unemployment
- Mfg./services PMIs (final)

Thought of the week

The third quarter of 2022 saw financial assets continue their year-to-date decline, as positive stock-bond correlations and a pullback in commodity prices delivered negative returns across all asset classes except cash. A third consecutive rate hike of 75bps from the Fed piled further pressure on bonds, with U.S. fixed income markets down 4.8% in 3Q22. Additionally, the combination of rising rates and growing concerns around a policy error leading to recession led global high yield to decline 2.7% in the third quarter. Although credit quality has remained relatively stable this year, slower growth, persistent inflation, and higher rates could increase credit risk over the next few months. Turning to equities, U.S. large cap and small cap equities found little relief in 3Q22, as a further deterioration in multiples and declining earnings expectations led to negative returns. In international markets, developed market equities fell 9.3% as European markets continue to be challenged by higher energy costs and a negative reaction to the U.K.'s recent fiscal and monetary policy. In emerging markets, equities were down 11.4% as rising inflation across geographies and questions about China weighed on returns.

Although 4Q22 looks set to be another tough quarter for public markets, investors should not be overly pessimistic. S&P 500 forward multiples are currently ~9% below their long-term average, while high quality fixed income valuations are currently sitting at 10-year lows. These attractive valuations, coupled with elevated interest rate and equity volatility, should be welcomed by investors, as a combination of the two has historically led to significant long-term investment opportunities.

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	3586	-2.88	-4.88	-23.87	-15.47	26.54
Dow Jones 30	28726	-2.92	-6.17	-19.72	-13.40	13.65
Russell 2000	4137	-0.82	-2.19	-25.10	-23.50	13.42
Russell 1000 Growth	1400	-2.85	-3.60	-30.66	-22.59	35.55
Russell 1000 Value	827.24	-2.56	-5.62	-17.75	-11.36	13.66
MSCI EAFE	1661	-1.31	-9.29	-26.76	-24.75	-4.08
MSCI EM	875.79	-3.25	-11.42	-26.89	-27.80	-5.05
NASDAQ	10576	-2.68	-3.91	-32.00	-26.25	35.41

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.75	-0.99	-4.75	-14.61	-14.60	-9.45
U.S. Corporates	5.69	-1.89	-5.06	-18.72	-18.53	-10.56
Municipals (10yr)	3.78	-0.88	-2.54	-10.59	-10.10	-3.90
High Yield	9.70	-1.36	-0.65	-14.74	-14.14	-1.35

Key Rates	Levels (%)					
	9/30/22	9/23/22	6/30/22	12/31/21	9/30/21	9/30/19
2-yr U.S. Treasuries	4.22	4.20	2.92	0.73	0.28	1.63
10-yr U.S. Treasuries	3.83	3.69	2.98	1.52	1.52	1.68
30-yr U.S. Treasuries	3.79	3.61	3.14	1.90	2.08	2.12
10-yr German Bund	2.13	2.00	1.38	-0.18	-0.19	-0.58
3-mo. LIBOR	3.75	3.63	2.29	0.21	0.13	2.09
3-mo. EURIBOR	1.17	1.15	-0.20	-0.57	-0.55	-0.42
6-mo. CD rate	0.97	0.92	0.42	0.14	0.16	0.92
30-yr fixed mortgage	6.52	6.52	5.84	3.33	3.10	3.99
Prime Rate	6.25	6.25	4.75	3.25	3.25	5.00

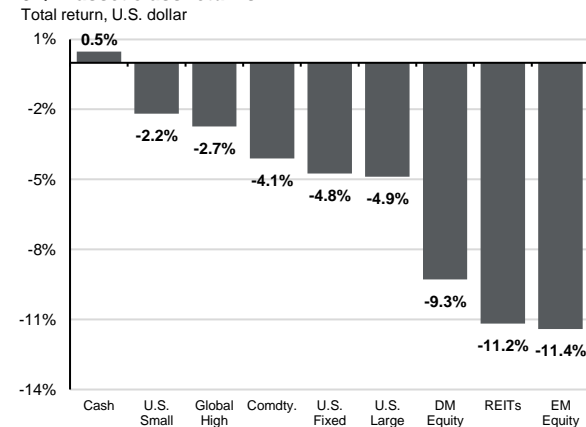
Index Characteristics	Levels			
	NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
	15.15	3.67	1.75	30119
	14.36	3.94	2.19	8793
	16.80	1.88	1.37	2164
	20.38	9.24	1.01	16928
	12.09	2.17	2.39	16512
	10.99	1.52	3.58	12229
	10.40	1.53	3.63	5735
	21.49	4.77	0.93	17255

Currencies	Levels		
	9/30/22	12/31/21	9/30/21
\$ per €	0.98	1.14	1.16
\$ per £	1.12	1.35	1.35
¥ per \$	144.75	115.16	111.57

Commod.	Levels		
	9/30/22	12/31/21	9/30/21
Oil (WTI)	79.49	75.33	75.22
Gasoline	3.71	3.28	3.18
Natural Gas	6.77	3.82	5.58
Gold	1672	1806	1743
Silver	19.02	23.09	21.53
Copper	7647	9692	9041
Corn	6.53	5.86	5.07
BBG Idx	240.55	211.80	215.17

Chart of the Week

3Q22 asset class returns



Style Returns



S&P 500 Sector Returns

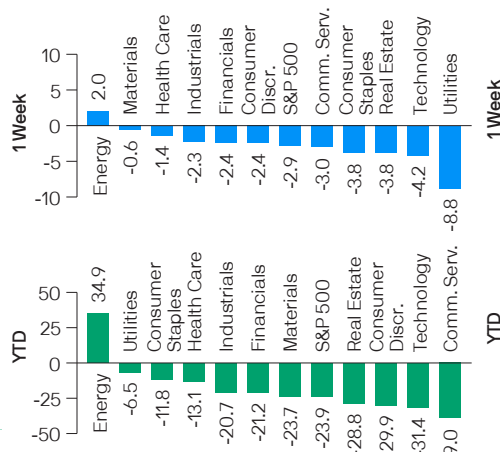




Chart of the Week: Source: Bloomberg, FTSE Russell, FactSet, MSCI, NAREIT, Standard & Poor's, J.P. Morgan Asset Management.

Thought of the week: Source: Bloomberg, FTSE Russell, FactSet, MSCI, NAREIT, Standard & Poor's, 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 ©JPMorgan Chase & Co., October 2022.

Unless otherwise stated, all data is as of October 3, 2022 or as of most recent date available.

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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