

Weekly Market Update

June 21, 2022

Economic & Market News

This Week:

- U.S. reports scheduled to be released this week include existing and new home sales, Purchasing Managers' Index (PMI) composite, consumer sentiment and two speeches by Fed Chair Powell.
- Non-U.S. reports scheduled to be released this week include the rate of inflation in the U.K., manufacturing PMI in Germany, composite PMI in the E.U. and the rate of inflation in Japan.

Week in Review:

- The Federal Reserve raised rates by 75 basis points during its June meeting. It was the largest rate increase since 1994 and the Fed signaled a similar move is possible at the next meeting.
- Producer prices in the U.S. rose 0.8% month-over-month in May after rising 0.4% month-over-month in April. The May reading matched market expectations.
- U.S. retail sales fell 0.3% month-over-month in May after increasing 0.7% month-over-month in April. Market expectations were for a 0.2% month-over-month increase in May.
- Industrial production in China grew by 0.7% year-over-year in May after decreasing 2.9% year-over-year in April. Market expectations were for a 0.7% year-over-year decrease in May.
- The ZEW economic sentiment indicator for Germany increased from -34.3 in May to -28 in June. Market expectations were for a reading of -27.5.

S&P 1500 by Capitalization & Style¹

1-Week			YTD			
Value	Blend	Growth	Value	Blend	Growth	
-6.48%	-5.75%	-4.93%	Large	-14.07%	-22.33%	-29.73%
-7.52%	-7.53%	-7.55%	Mid	-16.01%	-21.30%	-26.44%
-7.99%	-7.89%	-7.76%	Small	-16.34%	-21.37%	-26.33%

10-Year Treasury Note Yields



S&P 500 Index Levels



Index Returns	1 Week	MTD	3 Mo	YTD
MSCI ACWI IMI	-5.87	-10.43	-15.61	-22.01
S&P 500	-5.75	-10.97	-16.36	-22.33
S&P MidCap 400	-7.53	-11.59	-16.93	-21.30
S&P SmallCap 600	-7.89	-11.28	-17.40	-21.37
MSCI World ex USA	-6.03	-10.59	-14.27	-19.82
MSCI EM IMI	-4.84	-6.91	-9.98	-17.73
Bloomberg U.S. Aggregate Bond	-0.92	-2.81	-6.39	-11.48
Bloomberg Commodity	-6.37	-3.42	2.19	28.20
DJ Equity All REIT	-5.18	-11.08	-16.14	-22.76

Bond Rates	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Fed Funds Target	1.58	0.83	0.33	0.08
2-Year Treasury	3.17	2.71	1.94	0.66
10-Year Treasury	3.27	2.97	2.19	1.35
3-Month LIBOR	2.12	1.51	0.93	0.21
Municipal Bond 10-Year	3.21	3.38	2.15	1.03
U.S. Inv. Grd. Corporate	4.79	4.46	3.54	2.31
U.S. High Yield	8.51	7.64	6.12	4.47

Commodities	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Oil (\$/barrel)	107.99	112.40	102.98	70.72
Gold (\$/oz)	1840.60	1818.90	1943.20	1804.90
Gasoline (\$/gallon)	3.79	3.94	3.22	2.12

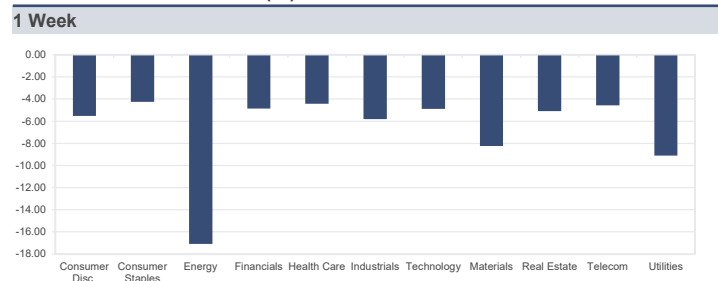
Currencies	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Euro (€/€)	1.05	1.06	1.10	1.13
Pound (£/£)	1.23	1.25	1.32	1.32
Yen (¥/\$)	134.96	128.02	119.17	113.39

Equity Index Characteristics ²	P/E Ratio (TTM)	P/B Ratio (TTM)	P/CF Ratio (TTM)	Wtd Avg Mkt Cap (\$B)
MSCI ACWI IMI	15.93	2.39	11.94	64.31
S&P 500	20.06	3.85	15.55	185.51
S&P MidCap 400	13.61	2.27	11.71	6.25
S&P SmallCap 600	12.45	1.79	9.86	2.08
MSCI World ex US	13.69	1.69	9.50	44.35
MSCI EM IMI	11.27	1.63	7.94	25.52

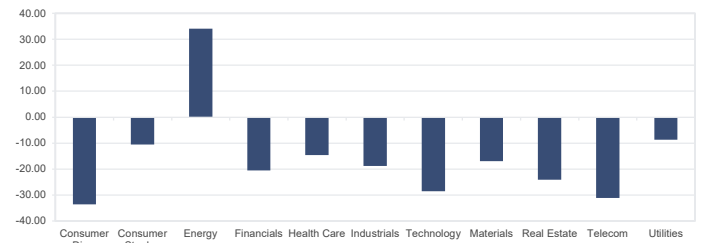
Upcoming U.S. Economic Events

Date	Indicator	Period	Consensus	Last ³
06.21.22	Existing Home Sales SAAR	May	5,360K	5,610K
06.23.22	Continuing Jobless Claims SA	06.11	1,319K	1,312K
	Initial Claims SA	06.18	225.0K	229.0K
	Markit PMI Manufacturing SA (Preliminary)	June	56.3	57.0
06.24.22	Building Permits SAAR (Final)	May	1,695K	1,695K
	Michigan Sentiment NSA (Final)	June	50.2	50.2
	New Home Sales SAAR	May	590.0K	591.0K

S&P 500 Sector Returns (%)



YTD



Please see important disclosures on next page. All returns represent total return including dividends. All data is as of 06.17.2022 unless otherwise noted.

Important Information

¹Style boxes are derived from the components of the S&P 1500 Index.

²Characteristics as of 05.31.2022.

³May include flash/preliminary estimates.

Economic & Market News provided by Sterling Capital Advisory Solutions.

The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful.

S&P 1500: An investable U.S. equity benchmark, the S&P Composite 1500 combines three leading indices, the S&P 500[®], the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

Capitalization/Style Returns: Capitalization/Style returns are based on the S&P Indexes. All values are cumulative total return for stated period including the reinvestment of dividends. The indexes used from left to right, top to bottom are as follows: S&P 500 Value Index, S&P 500 Index, S&P 500 Growth Index, S&P Mid Cap 400 Value Index, S&P Mid Cap 400 Index, S&P Mid Cap 400 Growth Index, S&P Small Cap 600 Value Index, S&P Small Cap 600 Index, S&P Small Cap 600 Growth Index. The S&P 500[®] Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P[®] Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks. The S&P Midcap 400 is designed to measure the performance of the middle capitalization sector of the U.S. equities market. This market capitalization weighted index was created in June of 1991 and consists of 400 domestic stocks from the NYSE, NASDAQ, and AMEX chosen for market size, liquidity and industry group representation. The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation. The S&P Style indices measure growth and value along two separate dimensions, with three factors each used to measure growth and value. The Growth factors are 3 Year Change in Earnings per Share over Price per Share, 3 Year Sales per Share Growth Rate, and Momentum. The Value factors are Book Value to price Ratio, Earnings to Price Ratio, and Sales to Price Ratio.

Index Returns: Prices reflect closing price level for each stated date.

S&P 500: The S&P 500[®] Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P[®] Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks.

S&P Small Cap 600: The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

S&P Mid Cap 400: The S&P MidCap 400 is designed to measure the performance of the mid capitalization sector of the U.S. equities market. This index consists of 400 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

Bloomberg US Aggregate Bond Index: The Bloomberg U.S. Aggregate Bond Index is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage backed securities, with maturities of one year or more.

Bloomberg Commodity Index: The Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

The **MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes.

The **MSCI World ex USA Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **MSCI Emerging Markets Investable Market Index** (IMI) captures large, mid and small cap representation across 23 Emerging Markets (EM) countries. The index covers approximately 99% of the free float-adjusted market capitalization in each country.

The **DJ Equity ALL REIT Index** represents all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe classified as Equity REITs according to the Dow Jones REIT Industry Classification Hierarchy. These companies are REITs that primarily own and operate income-producing real estate.

Important Information

The **Purchasing Managers' Index (PMI)** is an index of the prevailing direction of economic trends in the manufacturing and service sectors. It consists of a diffusion index that summarizes whether market conditions, as viewed by purchasing managers, are expanding, staying the same, or contracting.

The **ZEW Indicator of Economic Sentiment** is a simple sentiment indicator created out of the monthly ZEW Financial Market Survey. The ZEW Financial Market Survey is an aggregation of the sentiments of approximately 350 economists and analysts on the economic future of Germany in the medium term. ZEW stands for Zentrum für Europäische Wirtschaftsforschung, which translates to the Center for European Economic Research.

Bond Rates: Fed Funds Target, FactSet; 2-Year Treasury, FactSet; 10-Year Treasury, FactSet; 10-Year Municipal, FactSet; High Yield, FactSet

Commodities: Oil, FactSet; Gold, FactSet; Gasoline, FactSet

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

Equity Index Characteristics: Price-to-earnings ratio, price-to-book ratio, and price-to-cash flow ratio for S&P 500, S&P MidCap 400, and S&P Small Cap 600 taken from Morningstar Direct and based on a trailing 12-month period. Price-to-earnings ratio, price-to-book ratio, and price-to-cash flow ratio for MSCI ACWI, MSCI World ex USA, and MSCI Emerging Markets Investable Market taken from Morningstar Direct and based on a trailing 12-month period.

Currencies: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet

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