Weekly Market Update

August 8, 2022

Economic & Market News

This Week:

- U.S. reports scheduled to be released this week include the NFIB Small Business Optimism Index, productivity and costs, CPI and consumer sentiment.
- Non-U.S. reports scheduled to be released this week include the rate of inflation and industrial production in China, GDP in the U.K. and Japan and industrial production in the E.U.

Week in Review:

- The unemployment rate in the U.S. fell from 3.6% in June to 3.5% in July. Market expectations were for a reading of 3.6% in July.
- Factory orders in the U.S. increased 2.0% month-over-month in June after increasing 1.8% month-over-month in May. Market expectations were for a 1.1% month-over-month increase in June.
- The June unemployment rate of 6.6% in the E.U. was unchanged compared to a month earlier. Market expectations were for an unemployment rate of 6.8% in June.
- The Bank of England raised its main rate by 50 basis points to 1.75% at its August 2022 meeting. The 50-basis point increase met market expectations.

S&P 1500 by Capitalization & Style[1]

1-Week				YTD		
Value	Blend	Growth		Value	Blend	Growth
-0.46%	0.39%	1.25%	Large	-6.61%	-12.24%	-17.31%
-0.86%	-0.31%	0.27%	Mid	-6.90%	-11.09%	-15.17%
-0.58%	-0.02%	0.61%	Small	-7.31%	-10.85%	-14.25%

Index Returns

Index Returns	1 Week	MTD	3M	YTD
MSCI ACWI IMI	0.33	0.33	-1.17	-14.47
S&P 500	0.39	0.39	0.40	-12.24
S&P MidCap 400	-0.31	-0.31	0.03	-11.09
S&P SmallCap 600	-0.02	-0.02	1.86	-10.85
MSCI World ex USA	-0.72	-0.72	-3.17	-15.33
MSCI EM IMI	0.97	0.97	-4.48	-17.04
Bloomberg U.S. Agg. Bond	-1.04	-1.04	1.15	-9.11
Bloomberg Commodity	-3.22	-3.22	-10.62	19.52
DJ Equity All REIT	-1.65	-1.65	-2.85	-13.88

Bond Rates

Bond Rates	Latest	1M Ago	3M Ago	6M Ago
Fed Funds Target	2.33	1.58	0.83	0.08
2-Year Treasury	3.24	2.82	2.71	1.31
10-Year Treasury	2.85	2.81	3.07	1.90
3-Month LIBOR	2.86	2.35	1.37	0.34
Municipal Bond 10-Year	2.53	2.91	3.16	1.57
U.S. Inv. Grd. Corporate	4.51	4.58	4.40	2.93
U.S. High Yield	7.61	8.87	7.14	5.41

Commodities

Commodities	Latest	1M Ago	3M Ago	6M Ago
Oil ($/barrel)	89.01	99.50	108.26	92.31
Gold ($/oz)	1772.90	1763.90	1875.70	1807.80
Gasoline ($/gallon)	2.86	3.33	3.66	2.68

Currencies

Currencies	Latest	1M Ago	3M Ago	6M Ago
Euro ($/€)	1.02	1.02	1.05	1.14
Pound ($/£)	1.21	1.19	1.24	1.35
Yen (¥/$)	135.35	136.01	130.24	115.26

Equity Index Characteristics[2]

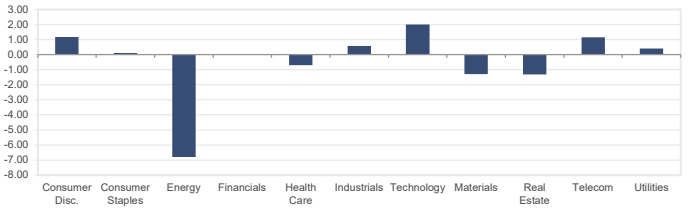
Equity Index Characteristics[2]	P/E Ratio (TTM)	P/B Ratio (TTM)	P/CF Ratio (TTM)	Wtd Avg Mkt Cap ($B)
MSCI ACWI IMI	15.69	2.37	12.04	64.66
S&P 500	20.16	3.85	15.85	192.92
S&P MidCap 400	13.60	2.25	11.66	6.30
S&P SmallCap 600	12.55	1.78	10.24	2.06
MSCI World ex US	13.19	1.64	9.38	42.09
MSCI EM IMI	10.43	1.57	7.78	23.30

Upcoming U.S. Economic Events

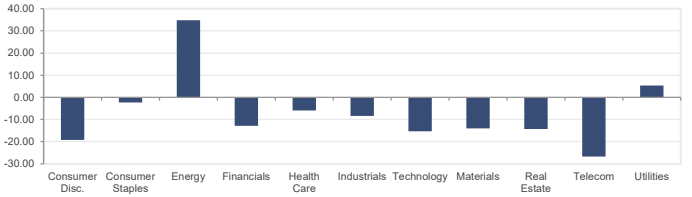
Date	Indicator	Period	Consensus	Last[3]
08.09	Unit Labor Costs SAAR Q/Q (Prelim)	Q2	7.1%	12.6%
	Productivity SAAR Q/Q (Prelim)	Q2	-3.2%	-7.3%
08.10	CPI ex-Food & Energy SA M/M	July	0.50%	0.70%
	CPI ex-Food & Energy NSA Y/Y	July	6.1%	5.9%
	CPI SA M/M	July	0.20%	1.3%
	CPI NSA Y/Y	July	8.7%	9.1%
08.11	Continuing Jobless Claims SA	07.30	1,370K	1,416K
	Initial Claims SA	08.06	265.0K	260.0K
	PPI SA M/M	July	0.30%	1.1%
08.12	Michigan Sentiment NSA (Prelim)	August	52.7	51.5

S&P 500 Sector Returns (%)

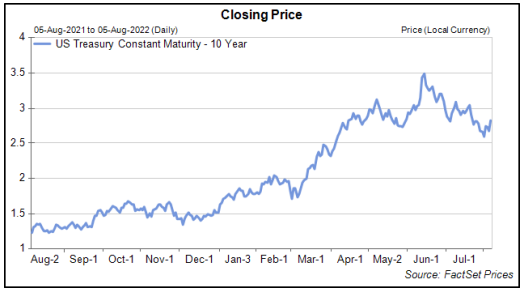
1 Week



YTD



10-Year Treasury Note Yields



S&P 500 Index Levels

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Please see important definitions and disclosures on p.2-3. All returns represent total return including dividends. Data is as of 08.05.2022 unless otherwise noted.

Important Information

[1]Style boxes are derived from the components of the S&P 1500® Index.
[2]Characteristics as of 07.31.2022.
[3]May 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® 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.

S&P Small Cap 600® Index: The S&P SmallCap 600® Index 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® Index: The S&P MidCap 400® Index 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.

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The **Consumer Price Index (CPI)** is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas. Average price data for select utility, automotive fuel, and food items are also available.

The **NFIB Small Business Optimism Index** is a composite of ten seasonally-adjusted components used as an indicator of U.S.-based small business health.

The **ZEW Indicator of Economic Sentiment** measures overall expert opinions on the direction of the German economy over the next six months. It is constructed based on a monthly survey of up to 350 analysts, financial professionals, and other experts.

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

The **Federal Funds Rate** refers to the interest rate that depository institutions (such as banks and credit unions) charge other depository institutions for overnight lending of capital from their reserve balances on an uncollateralized basis.

Real gross domestic product (GDP) is an inflation-adjusted measure that reflects the value of all goods and services produced by an economy in a given year, expressed in base-year prices.

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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