

June 2022 recap – Stocks cap worst half of a year since 1970

U.S. stocks deepened the year's rout in June amid growing concerns that aggressive monetary policy tightening could inadvertently push the U.S. economy into a recession. After the Consumer Price Index (CPI) indicated inflation unexpectedly accelerated to a fresh 40-year high in May, the Federal Reserve (Fed) opted to raise rates by 0.75%, the largest move since 1994. Additionally, officials signaled increases of similar magnitude at upcoming meetings, downplaying the possibility of slowing the pace of tightening as incoming data offered little evidence of peaking inflation. Other updates painted a picture of a cooling economy, with surging mortgage rates dampening the housing market, consumer spending moderating, and a measure of sentiment dropping to a record low.

The S&P 500 capped its worst start to a year since 1970 with an 8.4% monthly decline, closing in bear market territory (defined as a 20% drawdown from a recent peak). The Dow Jones Industrial Average lost 6.7% in June. Both benchmarks posted their largest quarterly drawdowns since 2020, shedding 16.4% and 11.3%, respectively. The Nasdaq Composite slumped 8.7% as a continued backup in Treasury yields dampened the appeal of growth-oriented stocks, driving the index to its worst three-month period since 2008 (-22.4%). The yield on the 10-year note capped a 17 basis point (0.17%) monthly rise to 3.01%, while the more Fed-sensitive two-year note yield jumped 39 basis points (0.39%) to 2.95%, though coming down from a 15-year peak reached in mid-June (3.43%).

All 11 S&P 500 sectors finished in negative territory, with Energy leading laggards (-17.0%). The top performing group of 2022 faltered as oil prices posted their first monthly decline since November. Downward guidance revisions from some high-profile companies added to a bearish outlook. A key technology giant flagged a stronger U.S. dollar as a headwind as a gauge of the greenback notched its best quarterly performance since 2016.

Price and Total Returns

U.S. markets

Index	Close	June Price Return (%)	June Total Return (%)	Second Quarter Total Return (%)	2022 Total Return (%)*
S&P 500	3785.38	-8.39	-8.26	-16.11	-19.97
Dow Jones Industrial Average	30775.43	-6.71	-6.56	-10.78	-14.44
Nasdaq Composite	11028.74	-8.71	-8.65	-22.27	-29.22
S&P 400 Mid Cap	2268.92	-9.78	-9.62	-15.44	-19.57
S&P 600 Small Cap	1127.97	-8.71	-8.55	-14.13	-18.97

U.S. sector performance

Index	Close	June Price Return (%)	June Total Return (%)	Second Quarter Total Return (%)	2022 Total Return (%)*
Communications Services	186.03	-7.70	-7.69	-20.71	-30.16
Consumer Discretionary	1077.78	-10.90	-10.80	-26.16	-32.82
Consumer Staples	750.05	-2.87	-2.50	-4.62	-5.58
Energy	546.24	-16.98	-16.91	-5.29	31.64
Financials	523.35	-11.07	-10.90	-17.50	-18.73
Health Care	1494.31	-2.84	-2.66	-5.91	-8.33

Investment and Insurance Products: ➤ NOT FDIC Insured ➤ NO Bank Guarantee ➤ MAY Lose Value

Index	Close	June Price Return (%)	June Total Return (%)	Second Quarter Total Return (%)	2022 Total Return (%)*
Industrials	738.41	-7.50	-7.40	-14.78	-16.79
Information Technology	2222.96	-9.37	-9.32	-20.24	-26.91
Materials	463.16	-14.08	-13.84	-15.90	-17.90
Real Estate	255.77	-7.48	-6.90	-14.72	-20.11
Utilities	356.45	-5.13	-4.98	-5.09	-0.56

International markets

Index	Close	June Price Return (%)	June Total Return (%)	Second Quarter Total Return (%)	2022 Total Return (%)*
U.K. FTSE 100	7169.28	-5.76	-5.53	-3.80	-1.01
Germany DAX	12783.77	-11.15	-11.15	-11.31	-19.52
France CAC 40	5922.86	-8.44	-8.19	-8.92	-15.00
Spain IBEX 35	8098.70	-8.50	-8.16	-2.70	-5.26
Italy FTSE MIB	21293.86	-13.10	-12.85	-12.52	-19.62
Greece ATHEX	810.42	-9.01	-8.57	-7.21	-8.47
MSCI Emerging Market	1000.67	-7.15	-6.63	-11.40	-17.57
Shanghai Composite	3398.62	6.66	7.50	5.56	-5.68
Japan Nikkei 225	26393.04	-3.25	-3.14	-5.02	-7.32
Hong Kong Hang Seng	21859.79	2.08	3.00	0.89	-4.82
Brazil Bovespa	98541.95	-11.50	-11.50	-17.88	-5.99
Russia Micex	2204.85	-6.41	-5.83	-17.75	-40.98
India Sensex	53018.94	-4.58	-4.47	-8.91	-8.26

Treasuries

Maturity	June Ask Yields	May Historical Yields	April Historical Yields	March Historical Yields	February Historical Yields
2-Year	2.95	2.56	2.71	2.33	1.43
5-Year	3.04	2.82	2.95	2.46	1.72
10-Year	3.01	2.84	2.93	2.34	1.83
30-Year	3.18	3.05	3.00	2.45	2.16

Municipal bonds

Maturity	Close	June Price Return (%)	May Price Return (%)	Second Quarter Price Return (%)	2022 Price Return (%)*
S&P Municipal Bond Index	256.46	-1.78	1.48	-3.02	-8.39
S&P Muni Bond Long Intermediate	267.50	-1.36	1.51	-2.52	-8.24
S&P Muni Bond Intermediate	255.22	-1.13	1.47	-2.06	-7.48
S&P Muni Bond Short	176.70	-0.06	0.91	0.15	-2.22
S&P Muni Bond Investment Grade	252.75	-1.63	1.46	-2.83	-8.12
S&P Muni Bond High Yield	317.66	-3.65	1.72	-5.52	-11.75
S&P Muni Bond General Obligation	246.07	-1.63	1.70	-2.72	-8.12

Commodities

Front Month Futures	Close	June Price Return (%)	May Price Return (%)	Second Quarter Price Return (%)	2022 Price Return (%)*
CRB Index	291.15	-8.02	2.68	-1.37	25.29
Oil/bbl	105.76	-7.77	9.53	5.46	40.62
Natural Gas	5.42	-33.41	12.44	-3.86	45.42

Front Month Futures	Close	Second Quarter Price			
		June Price Return (%)	May Price Return (%)	Return (%)	2022 Price Return (%)*
Gold	1807.30	-1.92	-3.61	-7.28	-1.16
Silver	20.28	-6.48	-5.87	-19.30	-13.15
Copper	371.45	-13.54	-2.25	-21.82	-16.78
Nickel	22651.00	-20.10	-10.71	-29.47	8.52

Foreign exchange

Currency	Close	Second Quarter Price			
		June Price Return (%)	May Price Return (%)	Return (%)	2022 Price Return (%)*
Dollar Index	104.69	2.88	-1.17	6.48	9.42
Euro/USD	1.05	-2.33	1.79	-5.27	-7.79
USD/Yen	135.72	5.48	-0.79	11.52	17.94
GBPound/USD	1.22	-3.36	0.22	-7.31	-10.01
USD/CAD	1.29	1.79	-1.56	2.94	1.87
USD/Krona	10.22	4.73	-0.69	8.80	12.92
USD/Swiss Franc	0.96	-0.46	-1.27	3.53	4.62

Source: Bloomberg. *All prices as of the close June 30, 2022. An index is unmanaged and not available for direct investment. Yields represent past performance and fluctuate with market conditions. Current yields may be higher or lower than those quoted above. **Past performance is no guarantee of future results.**

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Additional information available upon request.

Definitions

Dow Jones Industrial Average is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. It has been a widely followed indicator of the stock market since October 1, 1928.

S&P 500 Index is a market capitalization-weighted index composed of 500 widely held common stocks that is generally considered representative of the US stock market.

NASDAQ Composite Index is a broad-based capitalization-weighted index of stocks in all three NASDAQ tiers: Global Select, Global Market and Capital Market.

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