

July 2022 recap – Stocks rebound in best month since 2020

U.S. stocks staged a sharp rebound in July, recovering from a historically poor first half. The S&P 500 and Dow Jones Industrial Average both posted their best month since November 2020, climbing 9.1% and 6.7%, respectively. The Nasdaq Composite jumped 12.4%, notching its strongest performance since April 2020. Still, the tech-heavy index remained in bear market territory (defined as a 20% drop from a recent peak). Notably, all three major averages eclipsed their 50- and 100-day moving averages (closely watched technical levels) as depressed positioning and sentiment indicators were widely cited as supportive of equities. Oil prices fell amid recessionary worries, with West Texas Intermediate crude dipping below \$100/barrel for the first time since April. Corporate earnings from mega-cap companies lifted the mood as results from big tech names came in “better-than-feared.” Still, warnings from key retailers underscored inflation headwinds pressuring consumer spending.

Optimism over a potential Federal Reserve (Fed) policy pivot also bolstered risk appetite. After the Consumer Price Index (CPI) indicated inflation accelerated to a fresh 40-year high in June, the U.S. central bank implemented a second straight 0.75% rate hike. Still, investors latched on to post-meeting comments from Fed Chair Jerome Powell suggesting the magnitude of rate increases could eventually slow. Also supporting the hope that peak policy tightening could be nearing, the latest Gross Domestic Product (GDP) print showed the U.S. economy unexpectedly contracted during the April-June period. This marked a second consecutive negative reading and met one widely-cited definition of a technical recession. Treasuries strengthened, with the yield on the 10-year note sliding 37 basis points (0.37%) to 2.65%, the lowest level since April. Notably, the yield on the shorter-dated two-year note ended the month at 2.88%, with the gap between the two yields the most negative since 2000.

Price and Total Returns

U.S. markets

Index	Close	July Price Return (%)	July Total Return (%)	June Total Return (%)	2022 Total Return (%)*
S&P 500	4130.29	9.11	9.22	-8.26	-12.59
Dow Jones Industrial Average	32845.13	6.73	6.82	-6.56	-8.60
Nasdaq Composite	12390.69	12.35	12.39	-8.65	-20.45
S&P 400 Mid Cap	2512.73	10.75	10.85	-9.62	-10.82
S&P 600 Small Cap	1239.96	9.93	10.01	-8.55	-10.85

U.S. sector performance

Index	Close	July Price Return (%)	July Total Return (%)	June Total Return (%)	2022 Total Return (%)*
Communications Services	192.55	3.50	3.71	-7.69	-27.57
Consumer Discretionary	1281.51	18.90	18.94	-10.80	-20.10
Consumer Staples	773.50	3.13	3.30	-2.50	-2.47
Energy	598.74	9.61	9.72	-16.91	44.44
Financials	560.04	7.01	7.21	-10.90	-12.86
Health Care	1541.88	3.18	3.32	-2.66	-5.29
Industrials	808.28	9.46	9.50	-7.40	-8.88

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

Index	Close	July Price Return (%)	July Total Return (%)	June Total Return (%)	2022 Total Return (%)*
Information Technology	2522.61	13.48	13.54	-9.32	-17.01
Materials	491.31	6.08	6.14	-13.84	-12.86
Real Estate	277.49	8.49	8.54	-6.90	-13.29
Utilities	375.65	5.39	5.50	-4.98	4.92

International markets

Index	Close	July Price Return (%)	July Total Return (%)	June Total Return (%)	2022 Total Return (%)*
U.K. FTSE 100	7423.43	3.54	3.66	-5.53	2.61
Germany DAX	13484.05	5.48	5.48	-11.15	-15.11
France CAC 40	6448.50	8.87	8.98	-8.19	-7.37
Spain IBEX 35	8156.20	0.71	1.52	-8.16	-3.82
Italy FTSE MIB	22405.48	5.22	5.67	-12.85	-15.06
Greece ATHEX	851.05	5.01	5.95	-8.57	-3.02
MSCI Emerging Market	993.78	-0.69	-0.17	-6.59	-17.68
Shanghai Composite	3253.24	-4.28	-3.10	7.50	-8.61
Japan Nikkei 225	27801.64	5.34	5.34	-3.13	-2.37
Hong Kong Hang Seng	20156.51	-7.79	-7.32	3.00	-11.79
Brazil Bovespa	103164.70	4.69	4.69	-11.50	-1.58
Russia Micex	2213.81	0.41	1.54	-5.83	-40.07
India Sensex	57570.25	8.58	8.72	-4.47	-0.26

Treasuries

Maturity	July Ask Yields	June Historical Yields	May Historical Yields	April Historical Yields	March Historical Yields
2-Year	2.88	2.95	2.56	2.71	2.33
5-Year	2.68	3.04	2.82	2.95	2.46
10-Year	2.65	3.01	2.84	2.93	2.34
30-Year	3.01	3.18	3.05	3.00	2.45

Municipal bonds

Maturity	Close	July Price Return (%)	June Price Return (%)	May Price Return (%)	2022 Price Return (%)*
S&P Municipal Bond Index	263.09	2.59	-1.78	1.48	-6.02
S&P Muni Bond Long Intermediate	274.78	2.72	-1.36	1.51	-5.75
S&P Muni Bond Intermediate	261.55	2.48	-1.13	1.47	-5.19
S&P Muni Bond Short	178.20	0.85	-0.06	0.91	-1.39
S&P Muni Bond Investment Grade	259.00	2.47	-1.63	1.46	-5.85
S&P Muni Bond High Yield	330.63	4.08	-3.65	1.72	-8.14
S&P Muni Bond General Obligation	252.44	2.59	-1.63	1.70	-5.74

Commodities

Front Month Futures	Close	July Price Return (%)	June Price Return (%)	May Price Return (%)	2022 Price Return (%)*
CRB Index	292.06	0.31	-8.02	2.68	25.69
Oil/bbl	98.62	-6.75	-7.77	9.53	31.13
Natural Gas	8.23	51.71	-33.41	12.44	120.62
Gold	1762.90	-2.46	-1.92	-3.61	-3.59
Silver	20.20	-0.42	-6.48	-5.87	-13.51
Copper	357.35	-3.80	-13.54	-2.25	-19.94
Nickel	23589.00	4.14	-20.10	-10.71	13.01

Foreign exchange

Currency	Close	July Price Return (%)	June Price Return (%)	May Price Return (%)	2022 Price Return (%)*
Dollar Index	105.90	1.16	2.88	-1.17	10.70
Euro/USD	1.02	-2.52	-2.33	1.79	-10.11
USD/Yen	133.27	-1.81	5.48	-0.79	15.81
GBPound/USD	1.22	-0.06	-3.36	0.22	-10.06
USD/CAD	1.28	-0.61	1.79	-1.56	1.25
USD/Krona	10.16	-0.67	4.73	-0.69	12.16
USD/Swiss Franc	0.95	-0.28	-0.46	-1.27	4.33

Source: Bloomberg. *All prices as of the close July 29, 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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Pricing as of market close on July 29, 2022, unless indicated otherwise.

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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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