



STRAIGHTLINE

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## Weekly Update

7/11/22

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	1.98%	-17.52%
International Developed	MSCI EAFE	0.97%	-19.40%
Emerging Market	MSCI EM	0.94%	-17.50%
Fixed Income	Bloomberg US Agg Bond	-0.87%	-10.59%

Index returns are from YCharts and are calculated on a total return basis, with dividends reinvested.

Not much has changed in recent weeks, as investors grapple with recession fears and the Fed remains committed to combating inflation. Markets have seen brief rallies, but they have yet to materialize into something more sustainable. However, we believe that we are closer to the end than the beginning, even if volatility persists in the coming months. Recent inflation data has come in more muted than expected, however, overall inflation levels remain elevated, and the Fed is firmly entrenched in its position to bring those numbers lower. Seasonal factors along with the upcoming midterm elections may continue to work against markets, but we do see brighter days ahead. Over the next few weeks, earnings may determine whether markets can muster another rally, and company guidance will play an important role in determining the short-term fate of stocks. Corporate fundamentals have generally held up well through this downturn, and while we expect some pressure on margins, we must remember that they are coming down from record levels. We continue to expect that fundamentals will hold up better than sentiment or recent market movements would have you believe.