



STRAIGHTLINE

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Weekly Update

7/18/22

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	-0.91%	-18.27%
International Developed	MSCI EAFE	-1.75%	-20.81%
Emerging Market	MSCI EM	-3.69%	-20.54%
Fixed Income	Bloomberg US Agg Bond	0.89%	-9.80%

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

Another strong inflation reading had investors worried early last week and contributed to the declines in stock markets. Meanwhile, recession fears helped bonds post a gain for the week. Another 0.75% rate hike is expected at the Fed meeting next week, with a 1.00% rise possible. Despite the inflation and recession concerns, the underlying economy continues to show numerous signs of strength and, somewhat ironically, the expected economic slowdown has caused crude oil prices to drop a bit due to expectations of reduced demand. Gasoline prices, while still certainly high, have just begun to reflect this. These reductions will perhaps reduce some of the pressure on consumer inflation.

Recent manufacturing data has been upbeat and consumer spending rose more than expected in June. The coming weeks will provide an important indication of the economic outlook as we head into the heart of earnings season. In light of recent worries, earnings expectations have come down, but to the extent that companies beat or underperform these lowered expectations, we can expect stocks to react accordingly.