



STRAIGHTLINE

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## Weekly Update

8/8/22

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	0.39%	-12.24%
International Developed	MSCI EAFE	-0.65%	-16.11%
Emerging Market	MSCI EM	0.96%	-17.04%
Fixed Income	Bloomberg US Agg Bond	-1.04%	-9.11%

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

Recent weeks have provided a snapshot of how strange an economic period we find ourselves in currently. Just a few weeks ago, we had a second straight negative quarterly GDP figure, signaling a technical recession. Last Friday's labor data, however, showed job gains in July that more than doubled expectations. The unemployment rate declined to 3.5%, matching the pre-pandemic low. The two are clearly at odds for what may or may not be a recessionary period. The strong jobs data dashed any hopes that the Fed might ease back on tightening monetary policy at their upcoming meetings. As long as the labor market remains strong the Fed will continue to have a runway to raise rates. As a result, markets were mixed last week. US stocks continued to rally, but bonds sold off on the expectations for more rate hikes. Stocks have generally done well in recent weeks, and while it has been nice to see, we expect more volatility in the months ahead.