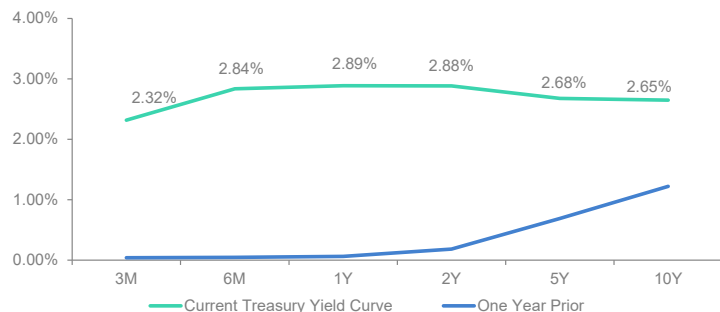


Historical Treasury Yield Curve



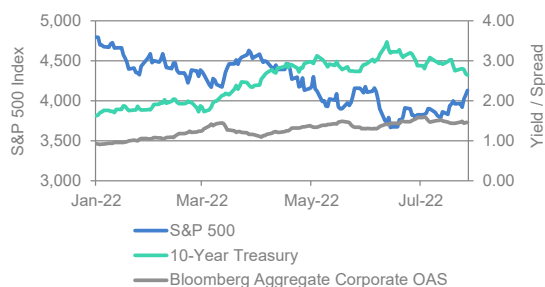
Source: Bloomberg Finance L.P. 7/30/22

FEATURED MARKET DATA

Soft-ish Landing?

Markets turned generally more optimistic in July as the S&P 500 reported its strongest monthly returns since 2020, and growth meaningfully outperformed value. In bond markets, credit spreads declined for investment grade companies. The lower option adjusted spread (OAS) shows investors saw less credit risk for investment grade companies in July. Treasury returns were also positive in July as longer term yields, including the 10-year US Treasury, declined for the month. While the decline in Treasury yields generally portrays growth concerns, strong stock market returns and lower spreads reflect the large amount of downside that was already priced into markets.

Source: Wall Street Journal



Source: Bloomberg

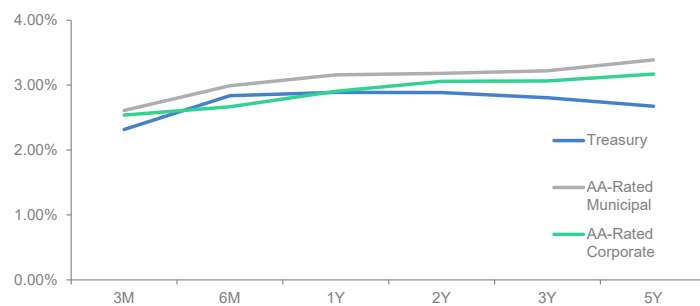
RECENT NEWS

Federal Reserve and GDP

The final week of July included another 75 basis point rate hike by the Federal Reserve and the second consecutive quarterly decline in GDP. The Fed Funds rate is now at 2.25-2.5%, and has increased as much in 2022 as in the previous three years of hikes from 2015-2018. In a press conference following the Federal Open Market Committee meeting, Fed Chair Jerome Powell continued to emphasize the need to slow growth to help reduce inflation. The following day, the Bureau of Economic Analysis announced a 0.9% decrease in U.S. GDP. The report showed slower consumer growth and negative growth for businesses and governments. Imports also slowed compared to robust first quarter growth. The GDP report may be just what the Fed was looking for as it seeks to slow growth while avoiding a deep recession.

Source: Wall Street Journal

Market Yields



Source: Bloomberg Finance L.P. 7/30/22

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (MoM)	07/13/22	JUNE	1.1%	1.3%	1.0%
Core CPI (MoM)	07/13/22	JUNE	0.5%	0.7%	0.6%
Existing Home Sales (MoM)	07/20/22	JUNE	-1.1%	-5.4%	-3.4%
Consumer Confidence	07/26/22	JULY	97.0	95.7	98.4 (R)
Employment Cost Index (QoQ)	07/29/22	2Q	1.2%	1.3%	1.4%
Personal Spending	07/29/22	JUNE	1.0%	1.1%	0.3% (R)
Core PCE (MoM)	07/29/22	JUNE	0.5%	0.6%	0.3%
Change in Nonfarm Payrolls	08/05/22	JULY	250K	--	372K
Unemployment Rate	08/05/22	JULY	3.6%	--	3.6%

Source: Bloomberg Finance L.P. 7/30/22. Glossary terms on following page.

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Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC

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