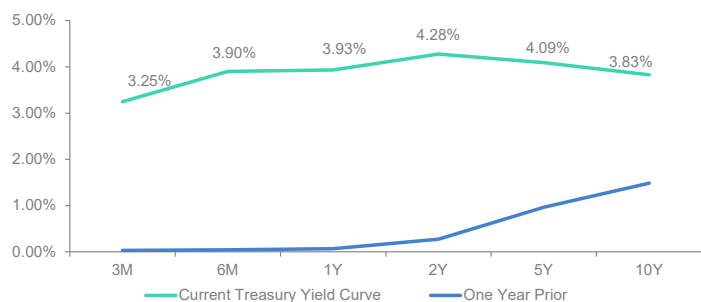
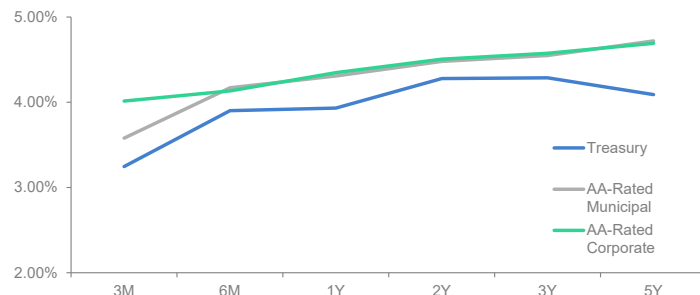


Treasury Yield Curve



Source: Bloomberg Finance L.P. 9/30/22

Market Yields



Source: Bloomberg Finance L.P. 9/30/22

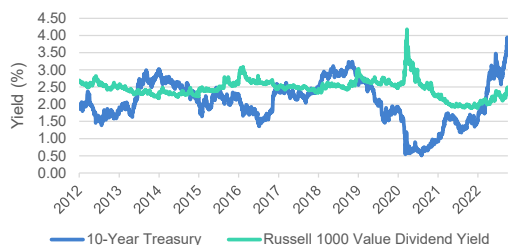
FEATURED MARKET DATA

Seeking Income

A plummet in bond yields in 2020 sent many investors on a search for yield. A relatively attractive dividend yield on stocks provided one source of income. As investors gravitated toward dividend paying stocks, equity indices such as the Russell 1000 Value index outperformed more growth oriented indices. The yield advantage for stocks has abruptly reversed in 2022 with the yield on 10-year Treasury notes approaching 4% in September. The dividend yield on the Russell 1000 Value index, meanwhile, is less than 2.5%. Higher bond yields are attracting yield hungry investors and reducing price support for stocks that may have benefited from providing greater income over the prior two years.

Source: Bloomberg

Bonds Providing More Income



Source: Bloomberg

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Core CPI (MoM)	09/13/22	AUG	0.6%	0.6%	0.3%
Consumer Price Index (YoY)	09/13/22	AUG	8.1%	8.3%	8.5%
S&P Case Shiller 20-City Home Price Index (MoM)	09/27/22	JULY	0.20%	-0.44%	0.19% (R)
Consumer Confidence	09/27/22	SEP	104.6	108.0	103.6 (R)
Personal Spending	09/30/22	AUG	0.2%	0.4%	-0.2% (R)
Core PCE (YoY)	09/30/22	AUG	4.7%	4.9%	4.7% (R)
ISM Manufacturing	10/03/22	SEP	52.0	50.9	52.8
Change in Nonfarm Payrolls	10/07/22	SEP	265K	--	315K
Unemployment Rate	10/07/22	SEP	3.7%	--	3.7%

Source: Bloomberg Finance L.P. 9/30/22. Glossary terms on following page.

RECENT NEWS

Central Banks Going Too Far?

Central banks around the world are raising interest rates swiftly to slow inflation. The cumulative effect is creating concern for some economists, including those at the World Bank, that rates may rise too high, too fast. To avoid an unnecessarily deep economic downturn, the World Bank advised policy makers to "take into account the potential spill overs of globally synchronous domestic policies." In the U.S., futures markets indicate the Federal Reserve will take heed of this advice. While the latest "dot plots" from the Federal Reserve's September meeting show a median fed funds rate of 4.625% at the end of 2023, the futures market points to a lower level of 4.12%.

Source: Wall Street Journal

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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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