

Weekly Market Recap

The week in review

- June headline and core CPI, sa up 0.2% m/m
- PPI advanced 0.1% m/m in June
- Prelim. consumer sentiment rose to 72.6

The week ahead

- Retail sales
- Housing starts

Thought of the week

June's CPI report showed gathering disinflation with headline CPI rising 0.2% m/m and 3.1% y/y on a seasonally adjusted basis, well below peak inflation of 8.9% y/y a year ago. This trend is not unique to the U.S.: the OECD reported softening inflation in most major economies to 6.5% y/y in May, the lowest level for global inflation since December 2021.

Overall, prices continue to soften although progress among countries remains uneven. In good news, core goods began easing late last year due to supply chain improvements, and energy followed suit as countries used strategic reserves and increased supply to compensate for Russia's lack of production. Emerging markets, where some central banks took action early on, have had more success in bringing down core inflation and could see rate cuts this year. On the other hand, some countries in developed markets (particularly Italy) continue to battle food inflation while the rest wait for core inflation to drop further. In particular, core services prices have been slower to ease due to tight labor market conditions globally. Prices for labor-intensive services, like medical care and education, may be softened through further monetary tightening, but others, like transportation, may stay elevated with higher rates. Those experiencing structural challenges, like the U.K. with very sticky inflation and China facing potential deflation, will likely need to fight longer to get inflation on the right path.

Despite a few outliers, the global disinflation trend continues to take shape. However, with some central banks reaching the end of hiking cycles and others only beginning, investors need to pay attention to how diverging global monetary policy can affect currency dynamics and therefore international returns.

Please see important disclosures on next page.

Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	4505	2.44	1.30	18.41	20.91	47.72
Dow Jones 30	34509	2.29	0.35	5.30	15.12	37.62
Russell 2000	4799	3.58	2.28	10.55	14.85	40.45
Russell 1000 Growth	1869	3.22	2.09	31.71	27.68	43.85
Russell 1000 Value	967	1.87	0.79	5.96	13.93	47.63
MSCI EAFE	2189	4.87	2.73	15.19	26.83	31.05
MSCI EM	1028	4.96	4.33	9.65	10.10	5.80
NASDAQ	14114	3.32	2.38	35.47	26.57	37.72

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.77	1.51	0.20	2.29	-1.03	-11.87
U.S. Corporates	5.45	1.60	0.16	3.37	1.10	-11.30
Municipals (10yr)	3.07	0.42	0.14	2.30	2.57	-1.22
High Yield	8.40	1.60	0.99	6.42	8.81	9.31

Key Rates	Levels (%)					
	7/14/23	7/7/23	6/30/23	12/30/22	7/14/22	7/14/20
2-yr U.S. Treasuries	4.74	4.94	4.87	4.41	3.15	0.14
10-yr U.S. Treasuries	3.83	4.06	3.81	3.88	2.96	0.63
30-yr U.S. Treasuries	3.93	4.05	3.85	3.97	3.11	1.30
10-yr German Bund	2.51	2.63	2.41	2.53	1.21	-0.44
3-mo. LIBOR	5.57	5.56	5.55	4.77	2.74	0.27
3-mo. EURIBOR	3.66	3.64	3.58	2.13	0.00	-0.43
6-mo. CD rate	N/A	2.15	2.14	1.80	0.50	0.34
30-yr fixed mortgage	7.07	7.07	6.85	6.58	5.74	3.19
Prime Rate	8.25	8.25	8.25	7.50	4.75	3.25

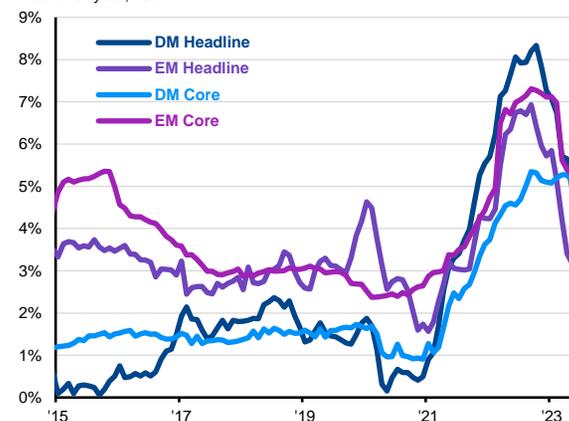
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
19.35	3.97	1.49	37617	
17.27	4.24	1.99	11159	
21.62	1.88	1.43	2418	
27.40	10.06	0.71	22078	
14.61	2.31	2.28	19557	
13.08	1.69	3.13	15983	
12.62	1.58	3.26	6950	
28.28	5.23	0.76	22701	

Currencies	Levels		
	7/14/23	12/30/22	7/14/22
\$ per €	1.12	1.07	1.00
\$ per £	1.31	1.20	1.18
¥ per \$	138.50	131.95	139.21

Commod.	Levels		
	7/14/23	12/30/22	7/14/22
Oil (WTI)	76.89	80.16	97.79
Gasoline	3.55	3.09	4.65
Natural Gas	2.55	3.52	6.90
Gold	1954	1814	1701
Silver	24.77	23.95	18.76
Copper	8651	8387	7216
Corn	6.10	6.14	6.65
BBG Idx	234.19	245.89	239.61

Chart of the Week

Global inflation is on its way down
Year-over-year, nsa



Style Returns

	V	B	G
L	1.9	2.4	3.2
M	2.4	2.8	3.9
S	3.2	3.6	4.0
	V	B	G
L	6.0	18.4	31.7
M	7.5	11.4	18.7
S	5.0	10.5	15.9

S&P 500 Sector Returns

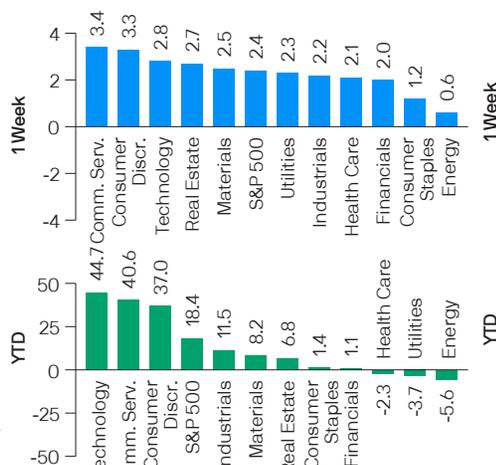




Chart of the Week: Source: J.P. Morgan Economic Research, J.P. Morgan Asset Management.

Thought of the week: Source: J.P. Morgan Economic Research, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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