

S&P 500 HAS BEST MONTH SINCE 2020

In July, stocks provided some relief to investors, with the S&P 500 Index rising 9%, posting its best month since November 2020. Day-to-day volatility continued, however, with ongoing concerns over rising interest rates, inflation and recession fears.

In general, growth stocks outperformed their value peers last month. For example, the Russell 1000 Growth Index posted a monthly return of 12% while the Russell 1000 Value Index only rose 6.6%. Consumer discretionary and information technology stocks in the S&P 500 increased the most, rising nearly 19% and 13%, respectively.

The Federal Reserve continued its aggressive stance on interest rate hikes. In July, the Fed raised the fed funds rate another $\frac{3}{4}$ of 1%, or 75 basis points. Since March 2022, the Fed has hiked rates four times totaling 225 basis points in its effort to fight inflation. However, bond returns were strong in July with the Bloomberg U.S. Aggregate Bond Index, an index of high-quality government and corporate bonds, gaining 2%.

While inflation remains high, we continue to see bright spots in the U.S. economy. The unemployment rate remains at a low 3.6% for the fourth month in a row as of June 2022.¹ Companies continue to top earnings expectations, with 75%



of the S&P 500 firms that have reported second quarter results beating Wall Street analysts' estimates.²

We hope that you are enjoying the summer months with friends and family. Be assured that whether your goal is to build income, reduce debt, increase your retirement funding, or create an emergency fund, Jemma Financial is here to help you invest for your short- and long-term needs.



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¹ U.S. Bureau of Labor Statistics. ² CNBC. Index data from orningstar.

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