

# Weekly Market Recap

## The week in review

- Job openings fall by 1.1M in Aug., -10% m/m
- Sept. Global composite PMI ticks up 0.4pts to 49.7

## The week ahead

- September CPI
- Fed minutes

## Thought of the week

OPEC+ announced its plan to reduce oil output by 2M barrels/day starting in November. It is worth emphasizing that this is a quota cut and the actual dip in production is expected to be closer to >1M barrels/day. Nonetheless, it will aggravate the supply/demand imbalance, especially as EU and G7 sanctions are set to commence in December. OPEC+ defended its decision as necessary to protect both the oil industry and their domestic economies from rising rates and slowing growth. OPEC+ is likely fearful that a possible recession in 2023 could trigger demand and price destruction. On the other hand, the decision defied the G7's pleas for greater production in face of a snowballing European energy crisis. Thus, it could be implied that this was a political dig in the ongoing energy war. OPEC+'s move will likely trigger U.S. countermeasures. It is possible that the U.S. could dial back sanctions on Venezuela, allowing the nation to ramp up oil exports. Reopening Venezuela, home to 18% of the world's oil reserves, would send a powerful signal, but would take time to impact global supply. The U.S. could also release additional supply from its Strategic Petroleum Reserve (SPR). At the time of writing, President Biden called for the release of an additional 10M barrels from the SPR next month, but more could come. The decision could also bring the No Oil Producing and Exporting Cartels Act (NOPEC) back on the table.

As of late, we have seen oil prices fall from a summer high of \$122 on June 8 to \$76 on September 26. This was a relief for Americans at the pump who faced a national average of \$5.47/gallon in June down to \$4.29 in September. Unfortunately, the upside risk to oil hitting above \$100 again is elevated given OPEC+'s decision and the looming winter weather. Looking ahead, oil may not be the near-term disinflationary force we once thought and is likely to encourage continued Fed hawkishness.

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	3640	1.56	-3.40	-22.68	-15.99	30.13
Dow Jones 30	29297	2.03	-4.26	-18.08	-13.99	17.83
Russell 2000	4230	2.27	0.03	-23.40	-23.36	17.95
Russell 1000 Growth	1417	1.20	-2.44	-29.83	-23.05	37.88
Russell 1000 Value	844.82	2.20	-3.54	-15.94	-11.69	18.40
MSCI EAFE	1694	1.94	-7.53	-25.33	-22.81	-0.95
MSCI EM	897.74	2.52	-9.18	-25.05	-26.00	-2.02
NASDAQ	10652	0.75	-3.20	-31.49	-26.76	37.12

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.82	-0.25	-4.99	-14.83	-14.58	-10.20
U.S. Corporates	5.70	0.15	-4.91	-18.59	-18.07	-10.95
Municipals (10yr)	3.68	0.62	-1.94	-10.04	-9.46	-3.92
High Yield	9.31	1.42	0.76	-13.53	-12.73	0.44

Key Rates	Levels (%)					
	10/7/22	9/30/22	6/30/22	12/31/21	10/7/21	10/7/19
2-yr U.S. Treasuries	4.30	4.22	2.92	0.73	0.32	1.46
10-yr U.S. Treasuries	3.89	3.83	2.98	1.52	1.58	1.56
30-yr U.S. Treasuries	3.86	3.79	3.14	1.90	2.13	2.05
10-yr German Bund	2.20	2.13	1.38	-0.18	-0.19	-0.58
3-mo. LIBOR	3.91	3.75	2.29	0.21	0.12	2.01
3-mo. EURIBOR	1.29	1.17	-0.20	-0.57	-0.55	-0.42
6-mo. CD rate	1.08	0.97	N/A	0.14	0.16	0.91
30-yr fixed mortgage	6.75	6.75	5.84	3.33	3.14	3.90
Prime Rate	6.25	6.25	4.75	3.25	3.25	5.00

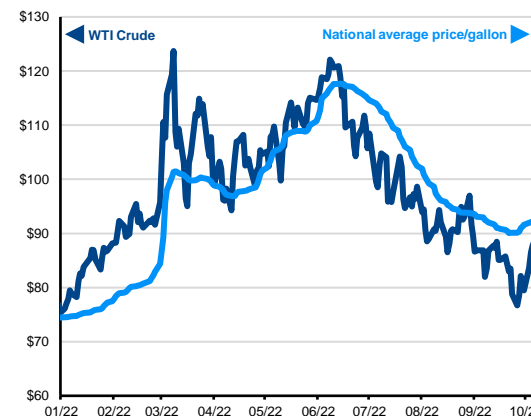
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
15.39	3.68	1.72	30596	
14.72	3.99	2.15	8907	
17.10	1.90	1.35	2197	
20.62	9.24	1.00	17128	
12.39	2.20	2.34	16856	
11.25	1.53	3.58	12467	
10.67	1.55	3.63	5885	
21.66	4.77	0.92	17351	

Currencies	Levels		
	10/7/22	12/31/21	10/7/21
\$ per €	0.98	1.14	1.16
\$ per £	1.11	1.35	1.36
¥ per \$	145.14	115.16	111.53

Commod.	Levels		
	10/7/22	12/31/21	10/7/21
Oil (WTI)	92.64	75.33	78.46
Gasoline	3.78	3.28	3.19
Natural Gas	6.75	3.82	5.71
Gold	1696	1806	1762
Silver	20.63	23.09	22.69
Copper	7576	9692	9177
Corn	6.58	5.86	5.04
BBG Idx	252.90	211.80	218.55

## Chart of the Week

Oil may not be a near-term disinflationary force.



## Style Returns

	V	B	G
L	2.2	1.6	1.2
M	2.3	2.5	2.8
S	2.2	2.3	2.3
	V	B	G
L	-15.9	-22.7	-29.8
M	-18.5	-22.4	-29.5
S	-19.4	-23.4	-27.6

## S&P 500 Sector Returns

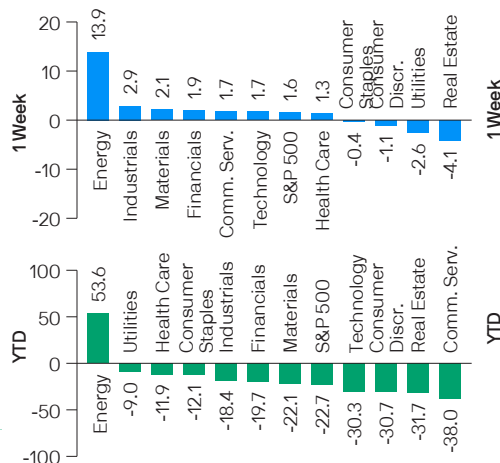




Chart of the Week: Source: Bloomberg, J.P. Morgan Asset Management.

Thought of the week: Source: Bloomberg, 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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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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