

Weekly Investment Update

June 20, 2022

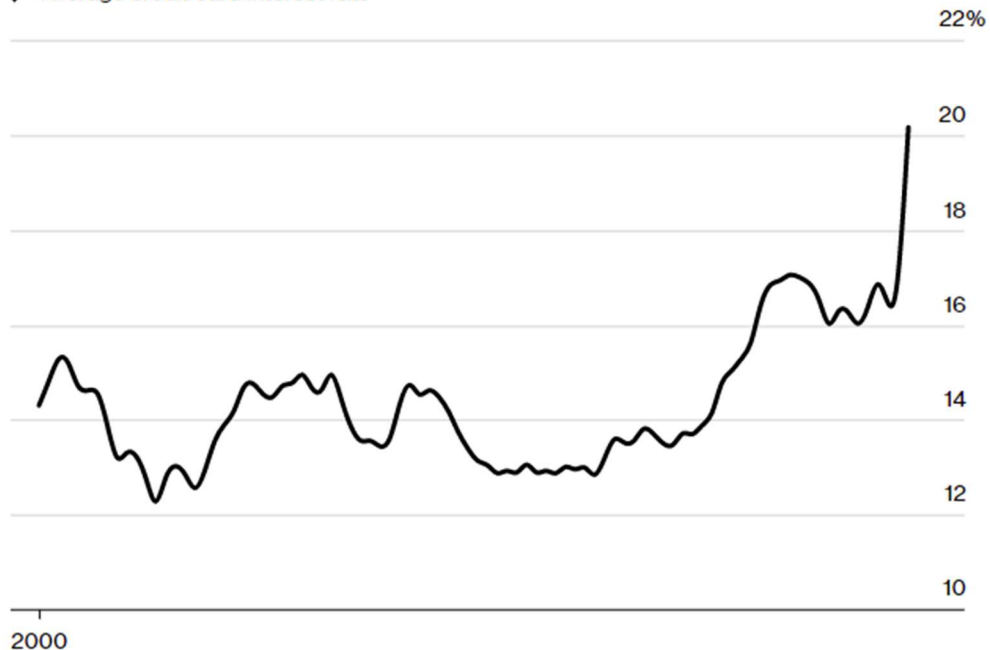
After a tumultuous beginning of June for markets, investors hoping that a Federal Reserve (Fed) meeting and rate hike would calm markets were sorely disappointed last week. It was not for lack of effort on the Fed's part, as they raised rates by 75 bps (0.75%) in an effort to address persistently high inflation (largest rate hike since 1994). Equity markets responded with a positive day on Wednesday when the Fed announced their decision, but several other down days left equity markets deeply in the red for the week. The S&P 500 (a proxy for large-cap US stocks) and the MSCI ACWI (a proxy for large-cap global stocks) ended the week down 5.8 percent and 5.7 percent, respectively.¹

In a sign that higher rates are beginning to be felt by US households, mortgage applications are falling as mortgage rates continue to rise.² First time home buyers are having an especially difficult time, and many have been priced out of the market as the average 30-year mortgage rate approaches 6 percent. In addition, credit card rates have also jumped significantly of late (see below).³ The combination of rising prices and higher financing costs is challenging for households and businesses alike. Only time will tell whether the Fed is able to raise rates enough to curb inflation without tipping the economy into recession.

Monthly Hit

Millions with credit card debt see spiking interest rate charges

✓ Average credit card interest rate



Source: Federal Reserve, Lendingtree

Note: Historical data from the Federal Reserve, latest data point from Lendingtree

¹ Source: YCharts

² Source: [Mortgage Applications Drop 6.5% as the Inability To Afford a Home Continues To Increase \(yahoo.com\)](#)

³ Source: [Credit Card Rates at 20%, Mortgages Near 6% After Fed's 75 Basis Point Rate Hike - Bloomberg](#)

Prices & Interest Rates

Representative Index	Current	Year-End 2021
Crude Oil (US WTI)	\$108.88	\$75.37
Gold	\$1,834	\$1,828
US Dollar	104.65	95.67
2 Year Treasury	3.06%	0.73%
10 Year Treasury	3.17%	1.52%
30 Year Treasury	3.30%	1.93%

Source: Morningstar, YCharts, and US Treasury as of June 18, 2022

Asset Class Returns

Category	Representative Index	YTD 2022	Full Year 2021
Global Equity	MSCI All-Country World	-21.9%	18.5%
Global Equity	MSCI All-Country World ESG Leaders	-22.6%	20.8%
US Large Cap Equity	S&P 500	-22.3%	28.7%
US Large Cap Equity	Dow Jones Industrial Average	-16.9%	21.0%
US Small Cap Equity	Russell 2000	-25.4%	14.8%
Foreign Developed Equity	MSCI EAFE	-20.6%	11.3%
Emerging Market Equity	MSCI Emerging Markets	-17.6%	-2.5%
US Fixed Income	Bloomberg Barclays Municipal Bond	-10.1%	1.5%
US Fixed Income	Bloomberg Barclays US Agg Bond	-11.5%	-1.5%
Global Fixed Income	Bloomberg Barclays Global Agg. Bond	-14.8%	-4.7%

Source: YCharts as of June 18, 2022

Past performance may not be representative of future results. All investments are subject to loss. Forecasts regarding the market or economy are subject to a wide range of possible outcomes. The views presented in this market update may prove to be inaccurate for a variety of factors. These views are as of the date listed above and are subject to change based on changes in fundamental economic or market-related data. Please contact your Advisor in order to complete an updated risk assessment to ensure that your investment allocation is appropriate.