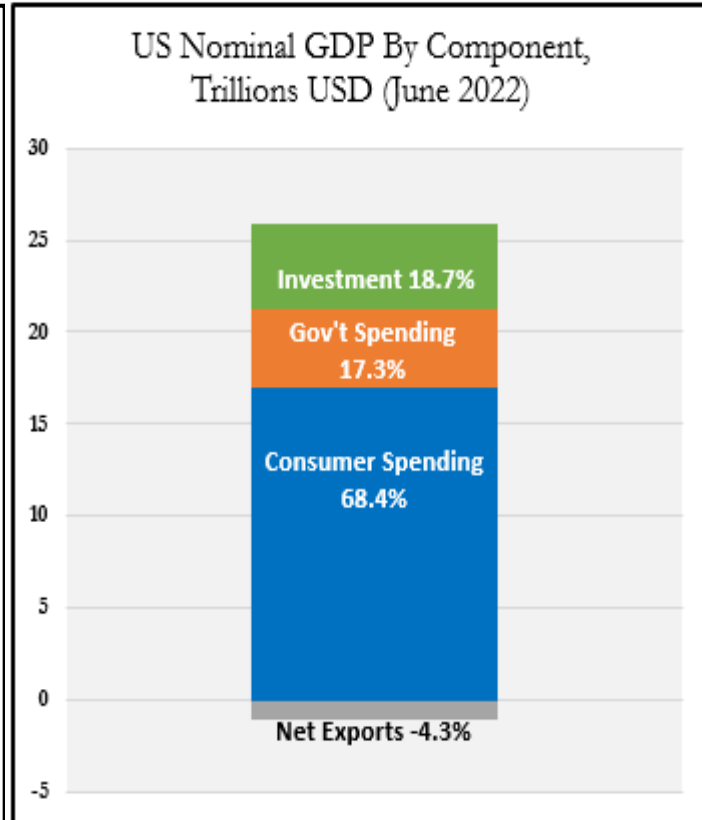
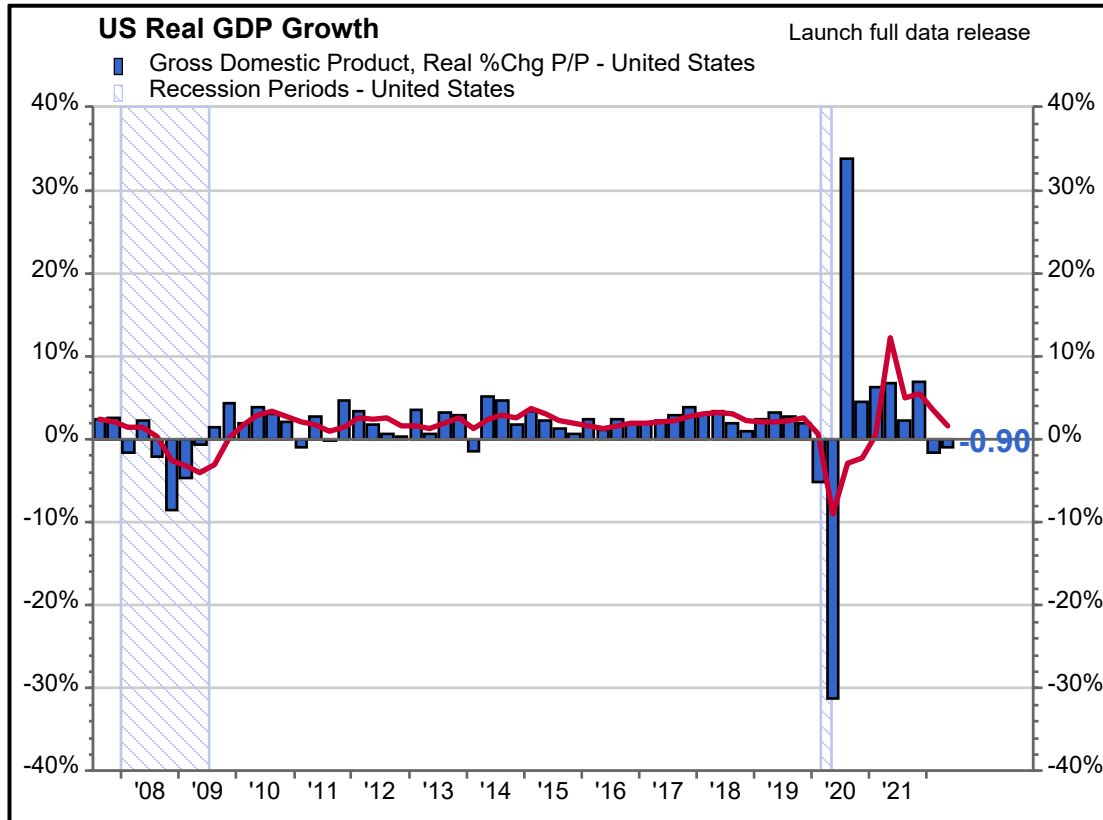


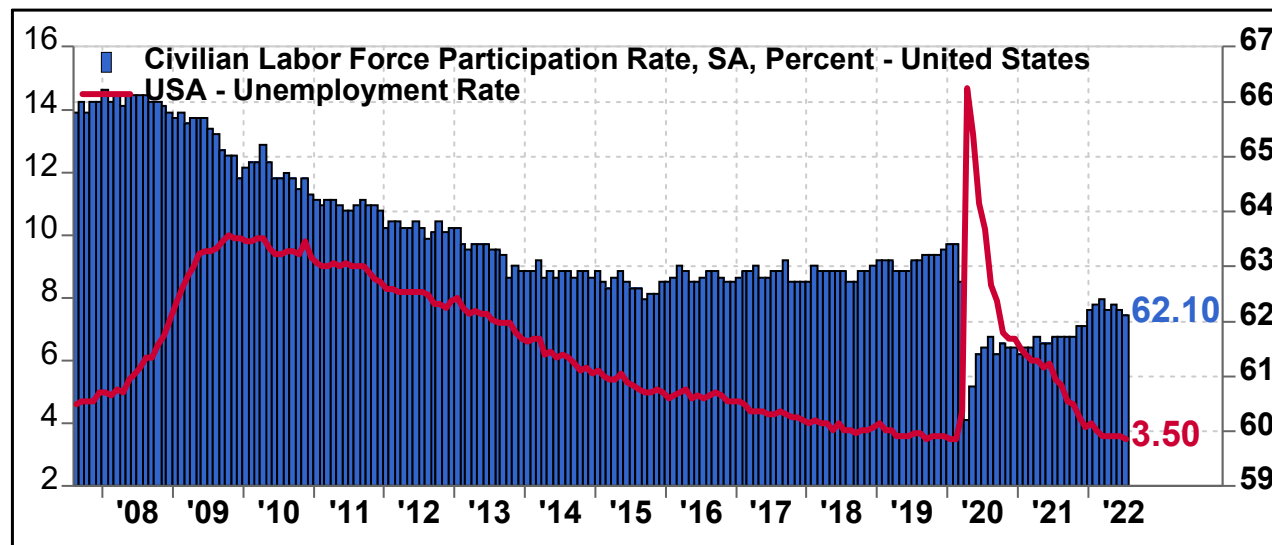
# JULEX MACRO CHART BOOK

July 2022

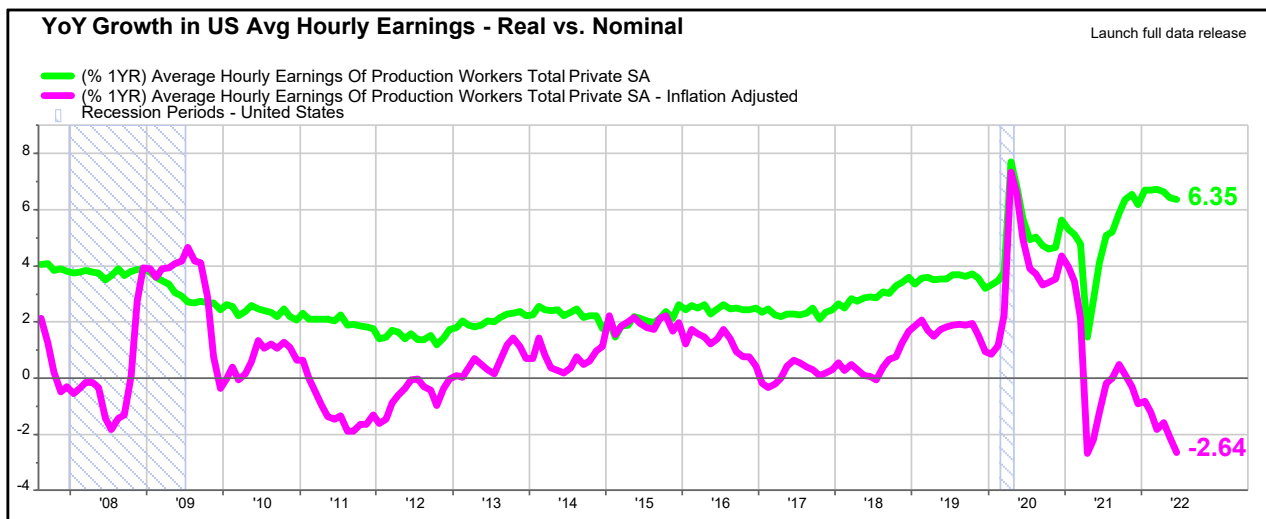
For Institutions and Investment Advisers Only.  
All Data From FactSet Unless Otherwise Noted.  
[www.julexcapital.com](http://www.julexcapital.com)

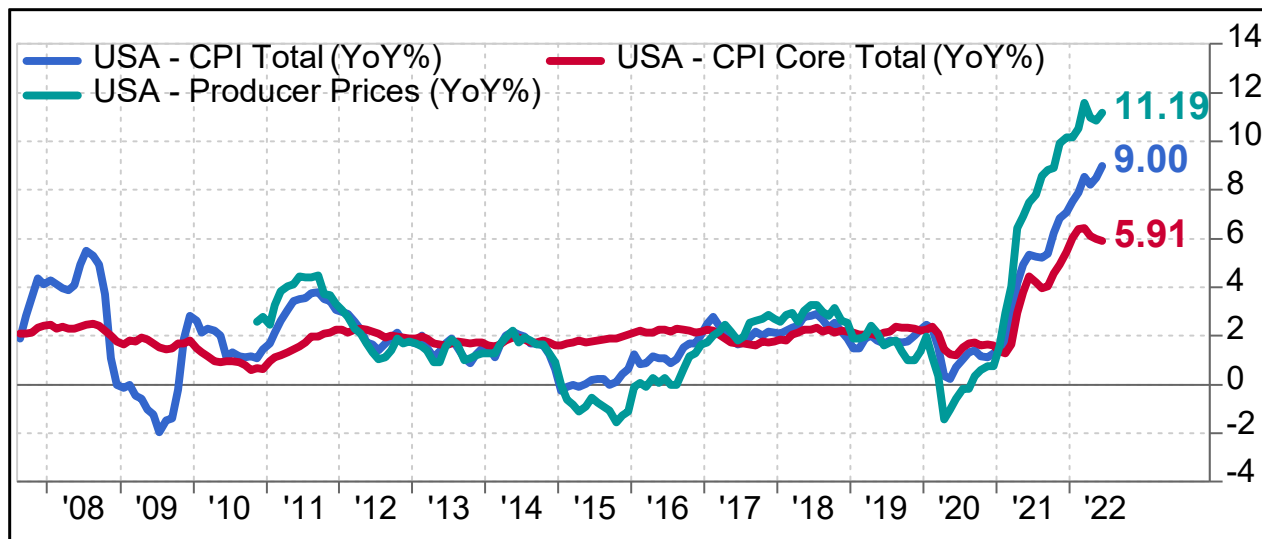


- The US economy shrunk by 0.9% in Q2 2022, meeting the definition of a technical recession.

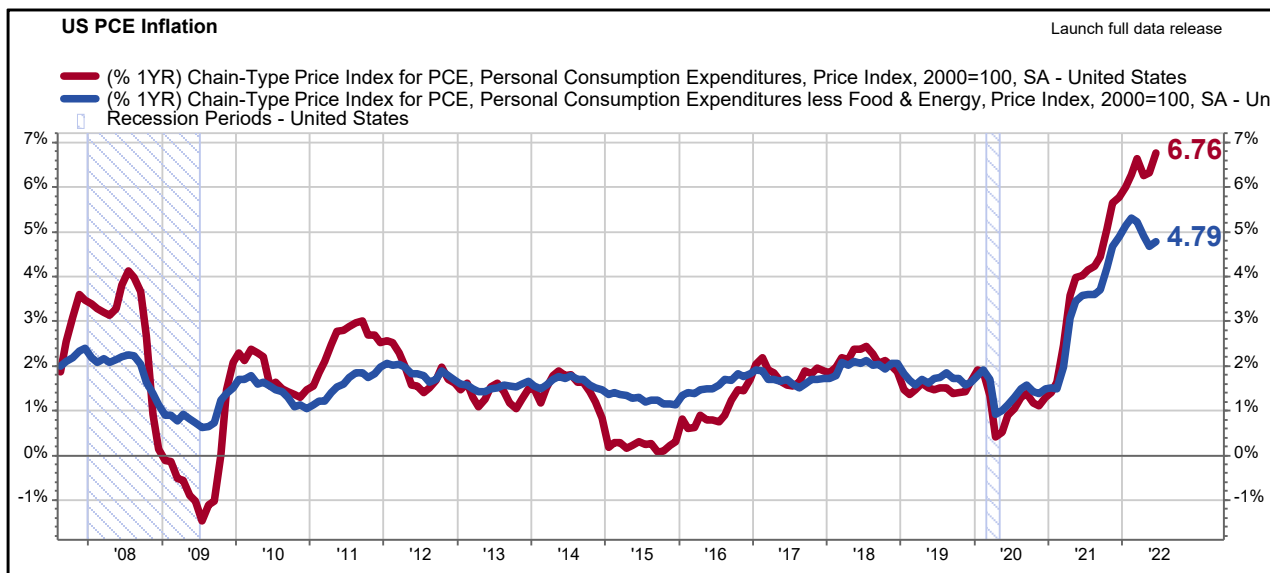


- The July jobs report saw the addition of some 528,000 jobs, beating expectations and shrinking unemployment to just 3.5% even as the labor force participation rate decreased.
- Real wage growth remains significantly negative.

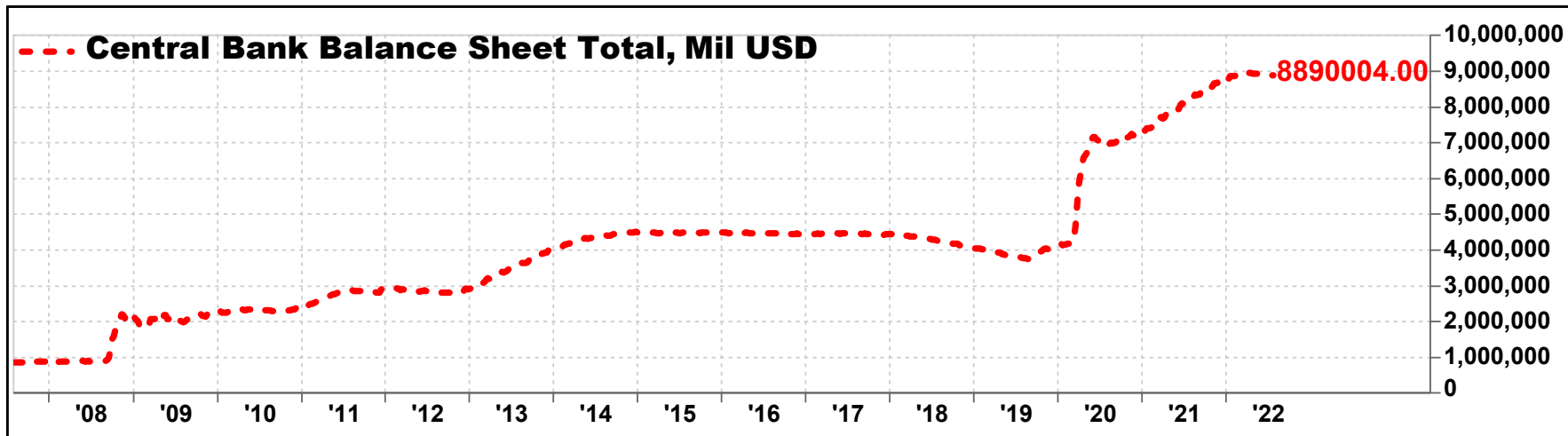
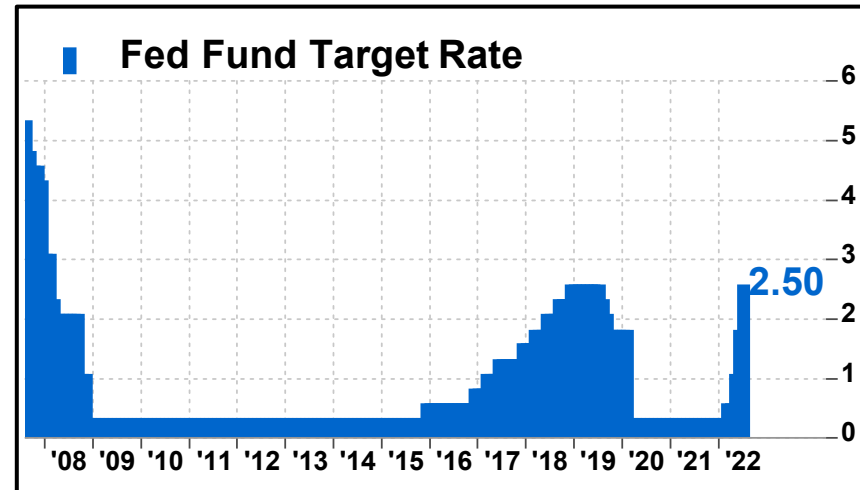
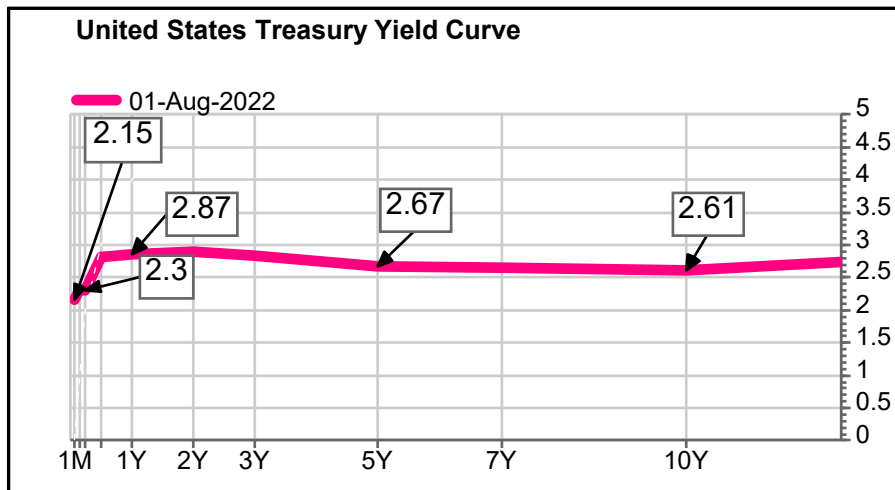




- Inflation continues to be a dominant concern as CPI inflation approaches 10% YoY growth.
- PCE inflation is now over 6.5%

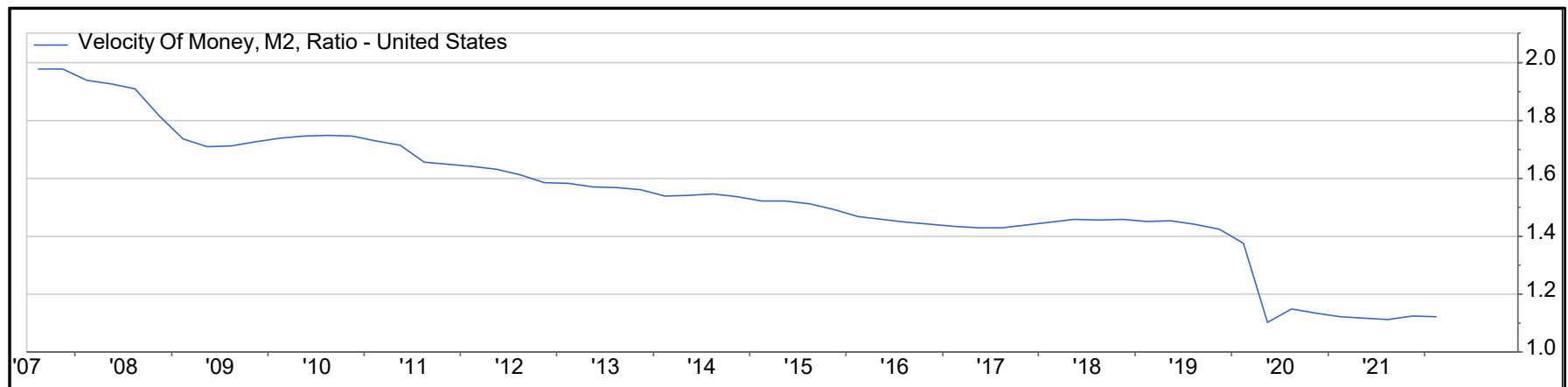
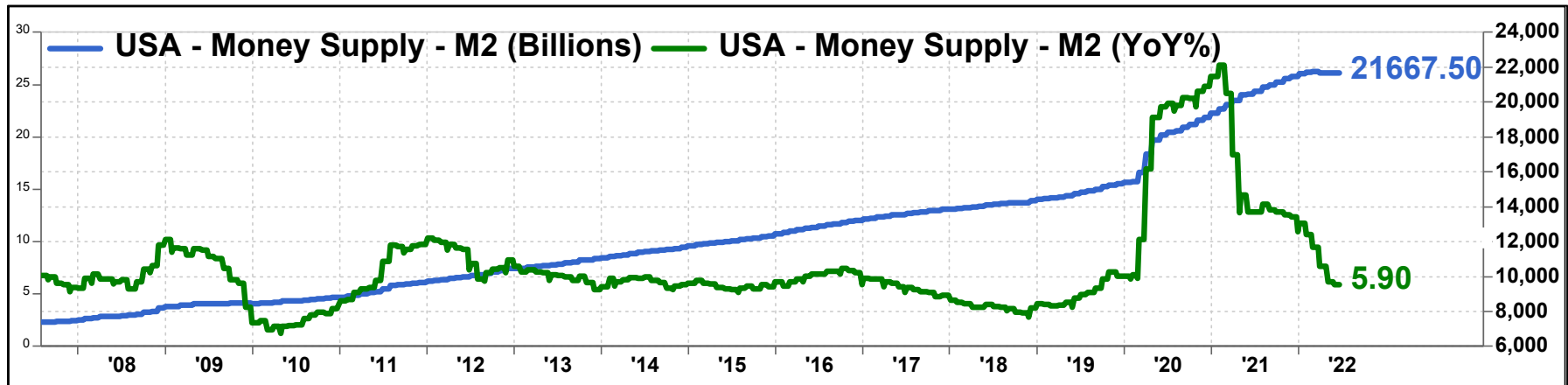


# US Economy - Monetary Policies



- In their July meeting, the Fed raised rates to 2.50% from 1.75%.
- The Fed has continued quantitative tightening as the balance sheet fell by \$2 billion in July.

# US Economy - Monetary Policies (Cont.)



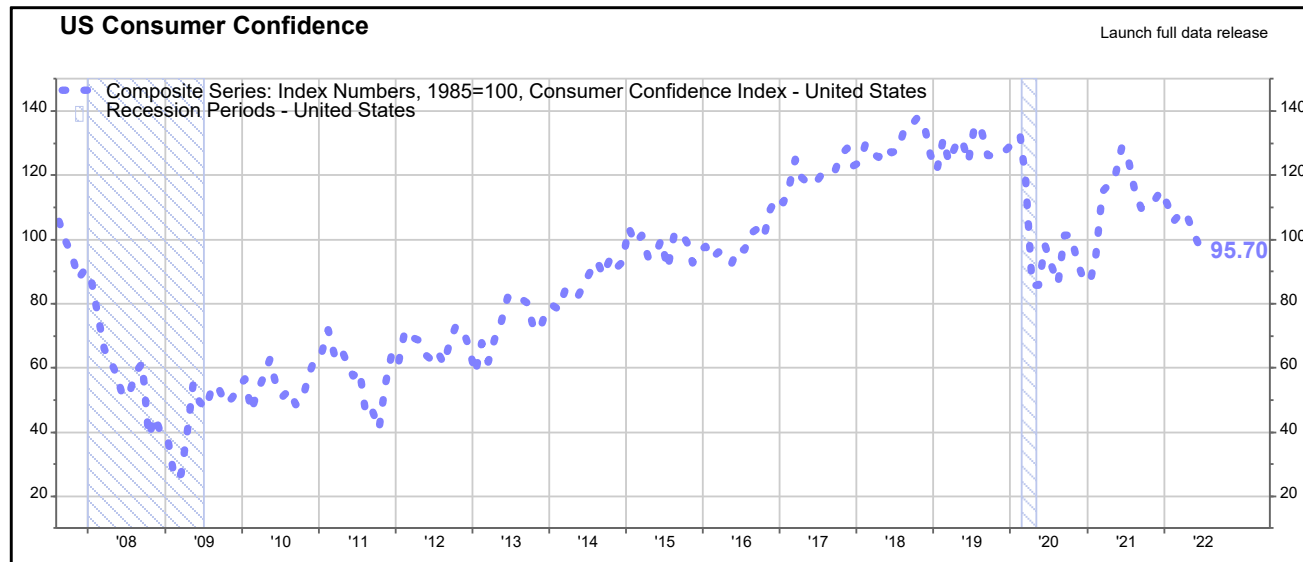
- The pace of money supply have slowed down as the Fed is tightening. In the meantime, the velocity of money also has flattened.

# US Economy - Fiscal Policies

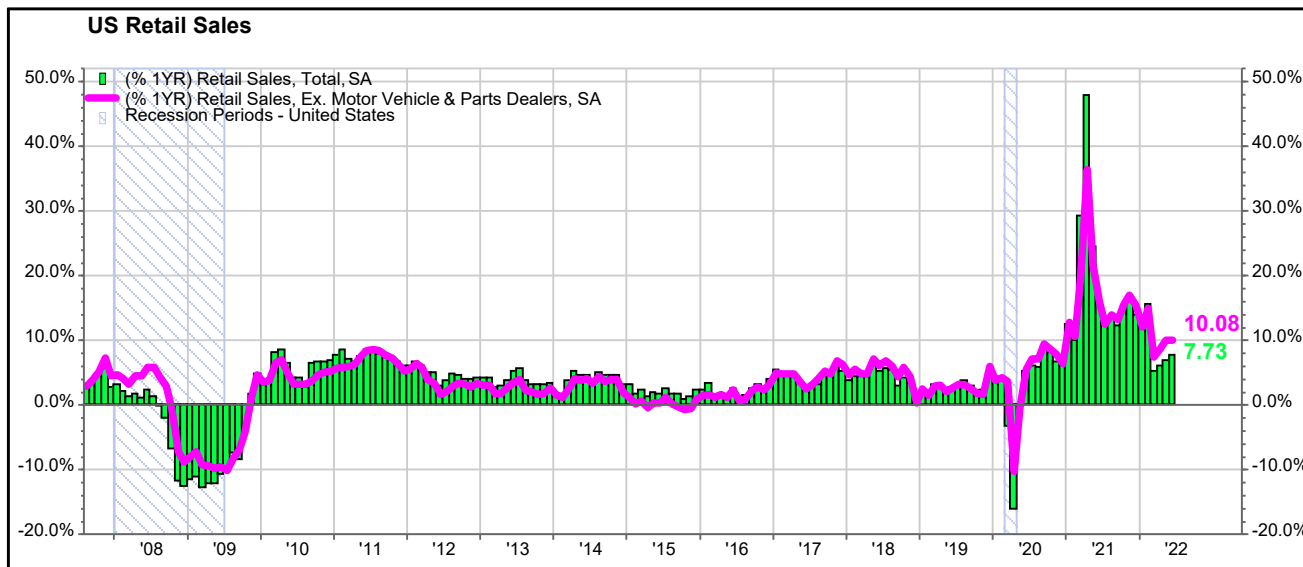
	2022 (Projected)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Government Revenues (Billions):</b>													
Individual Income Taxes	2,622.5	2,044.4	1,608.7	1,717.9	1,683.5	1,587.1	1,546.1	1,540.8	1,394.6	1,316.4	1,132.2	1,091.5	898.5
Payroll Taxes	1,464.6	1,314.1	1,310.0	1,243.1	1,170.7	1,161.9	1,115.1	1,065.3	1,023.5	947.8	845.3	818.8	864.8
Corporate Income Taxes	394.8	371.8	211.8	230.2	204.7	297.0	299.6	343.8	320.7	273.5	242.3	181.1	191.4
Excise Taxes	87.6	75.3	86.8	98.9	95.0	83.8	95.0	98.3	93.4	84.0	79.1	72.4	66.9
Estate and Gift Taxes	29.3	27.1	17.6	16.7	23.0	22.8	21.4	19.2	19.3	18.9	14.0	7.4	18.9
Customs Duties	94.8	80.0	68.6	70.8	41.3	34.6	34.8	35.0	33.9	31.8	30.3	29.5	25.3
Miscellaneous Receipts	142.5	134.4	117.7	85.8	111.7	129.0	156.0	147.5	136.1	102.6	106.8	102.8	96.8
<b>Total Revenue</b>	<b>4,836.0</b>	<b>4,047.1</b>	<b>3,421.2</b>	<b>3,463.4</b>	<b>3,329.9</b>	<b>3,316.2</b>	<b>3,268.0</b>	<b>3,249.9</b>	<b>3,021.5</b>	<b>2,775.1</b>	<b>2,450.0</b>	<b>2,303.5</b>	<b>2,162.7</b>
<b>Mandatory Spending (Billions):</b>													
Social Security	1,211.5	1,128.8	1,089.9	1,038.5	982.0	939.2	910.3	881.9	844.9	807.8	767.7	724.9	700.8
Medicare	941.4	867.7	912.1	775.4	704.5	702.3	692.5	634.1	599.8	585.2	551.2	559.6	520.5
Medicaid	589.3	520.6	458.5	409.4	389.2	374.7	368.3	349.8	301.5	265.4	250.5	275.0	272.8
Income Security	560.8	1,376.5	1,051.0	302.6	285.3	293.8	303.8	301.0	310.9	339.5	353.6	404.0	437.3
Federal Retirement	226.9	179.2	171.3	170.0	163.1	162.6	163.8	161.5	157.5	152.5	143.5	144.2	138.4
Veterans' Programs	145.7	125.1	121.8	115.0	101.4	105.0	106.5	92.4	86.7	80.4	68.0	71.0	58.3
Other Programs	478.5	969.2	1,053.2	198.7	156.7	194.7	119.8	134.2	74.5	105.5	124.2	56.1	-17.7
Offsetting Receipts	-465.8	-333.3	-277.5	-275.6	-259.6	-253.4	-237.6	-258.4	-277.3	-304.7	-228.3	-208.9	-196.5
<b>Total Mandatory Spending</b>	<b>3,688.1</b>	<b>4,833.7</b>	<b>4,580.3</b>	<b>2,734.1</b>	<b>2,522.4</b>	<b>2,518.8</b>	<b>2,427.3</b>	<b>2,296.5</b>	<b>2,098.5</b>	<b>2,031.6</b>	<b>2,030.5</b>	<b>2,026.0</b>	<b>1,913.7</b>
<b>Discretionary Spending (Billions):</b>													
Defense	796.1	741.6	713.8	676.4	622.7	590.2	584.8	583.4	596.4	625.8	670.5	699.4	688.9
Nondefense	947.1	894.8	914.0	661.3	638.9	610.1	600.4	588.8	582.4	576.6	605.2	647.7	658.3
<b>Total Discretionary Spending</b>	<b>1,743.2</b>	<b>1,636.4</b>	<b>1,627.8</b>	<b>1,337.7</b>	<b>1,261.6</b>	<b>1,200.3</b>	<b>1,185.3</b>	<b>1,172.1</b>	<b>1,178.9</b>	<b>1,202.4</b>	<b>1,275.7</b>	<b>1,347.1</b>	<b>1,347.2</b>
<b>Interest on Debt (Billions):</b>	<b>399.1</b>	<b>352.3</b>	<b>345.5</b>	<b>375.2</b>	<b>325.0</b>	<b>262.6</b>	<b>240.0</b>	<b>223.2</b>	<b>229.0</b>	<b>220.9</b>	<b>220.4</b>	<b>230.0</b>	<b>196.2</b>
<b>Total Spending:</b>	<b>5,830.4</b>	<b>6,822.4</b>	<b>6,553.6</b>	<b>4,447.0</b>	<b>4,109.0</b>	<b>3,981.6</b>	<b>3,852.6</b>	<b>3,691.9</b>	<b>3,506.3</b>	<b>3,454.9</b>	<b>3,526.6</b>	<b>3,603.1</b>	<b>3,457.1</b>
<b>Deficit:</b>	<b>994.3</b>	<b>2,775.3</b>	<b>3,132.4</b>	<b>983.6</b>	<b>779.1</b>	<b>665.4</b>	<b>584.7</b>	<b>442.0</b>	<b>484.8</b>	<b>679.8</b>	<b>1,076.6</b>	<b>1,299.6</b>	<b>1,294.4</b>

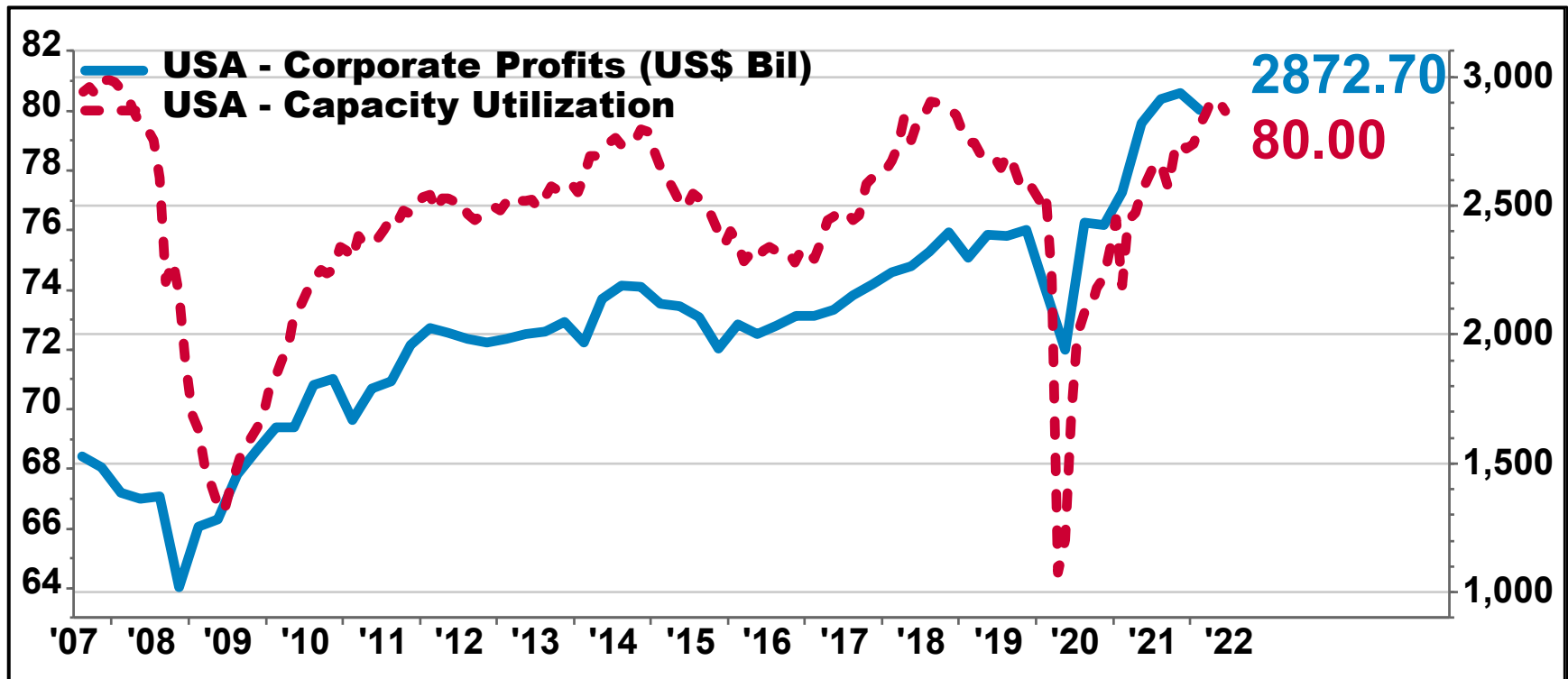
- The budget deficits in 2022 are expected to move back to pre-pandemic levels. The US Senate passed a taxing and spending bill called the Inflation Reduction Act to fight climate change and reduce health care costs through revenues raised by imposing 15% minimum tax on corporations and enhancing IRS enforcements.

# US Economy - Consumption



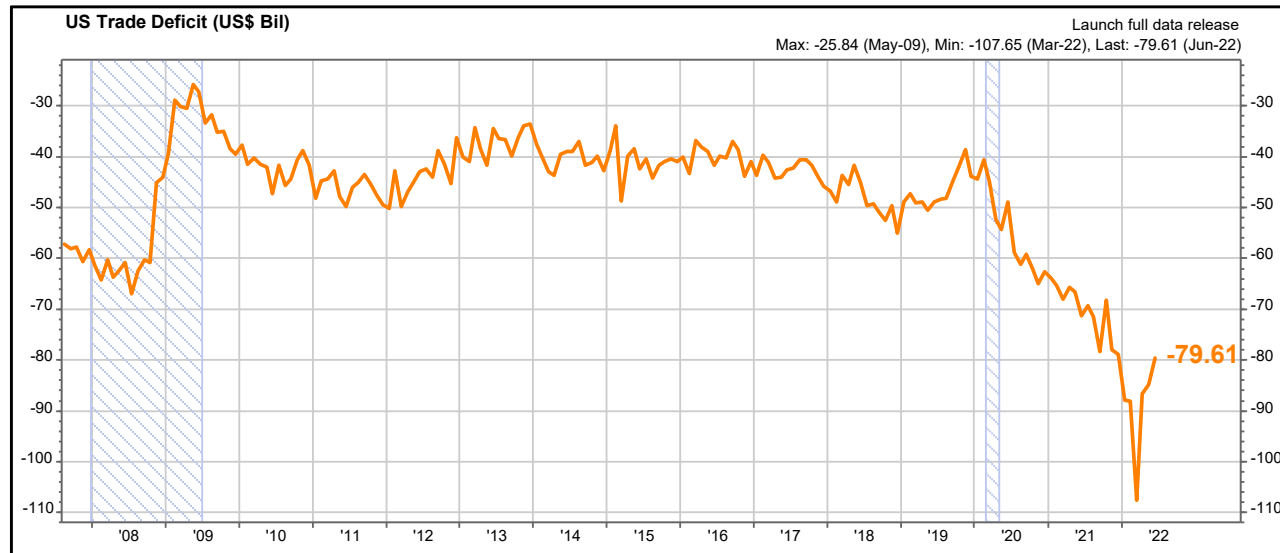
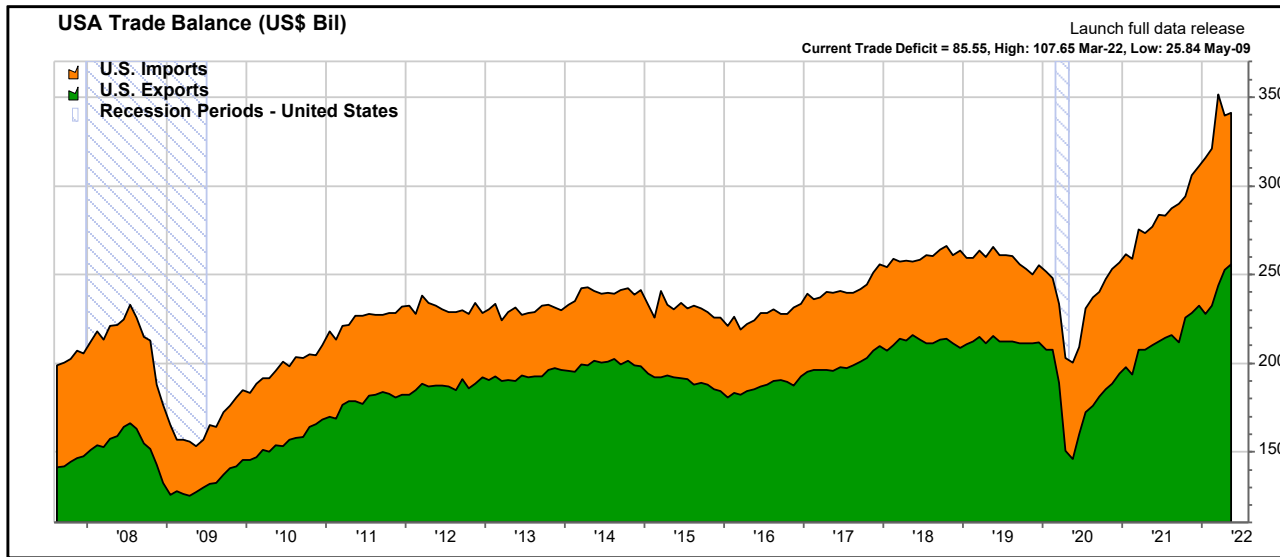
- U.S. retail sales have seen substantial YoY increases since this time last year even as consumer confidence has been falling for over a year.





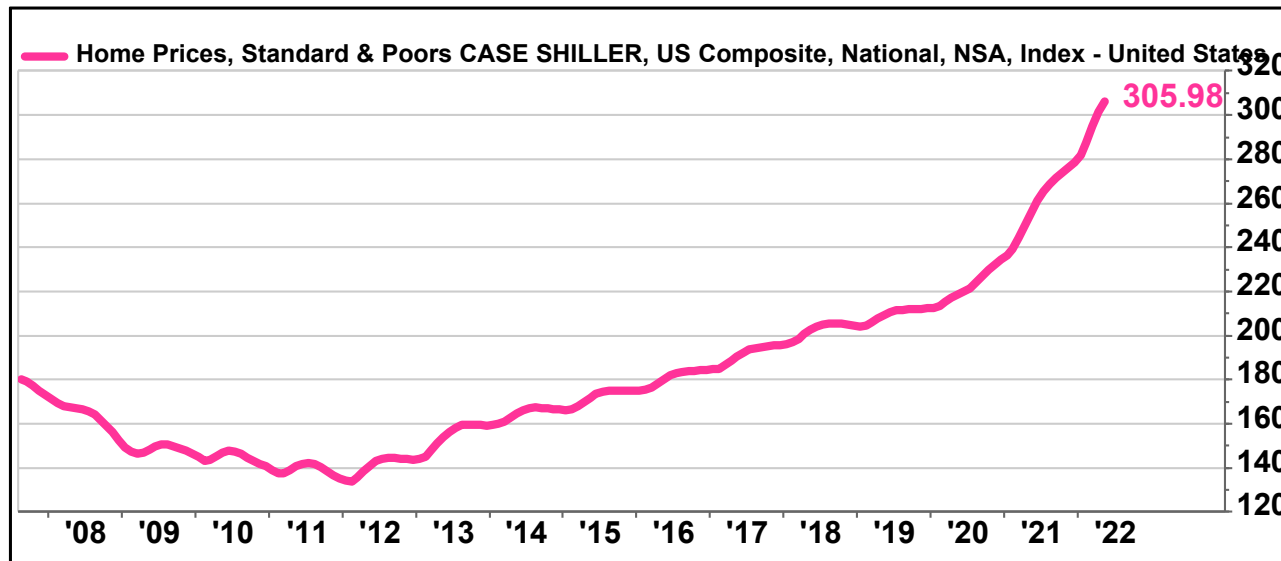
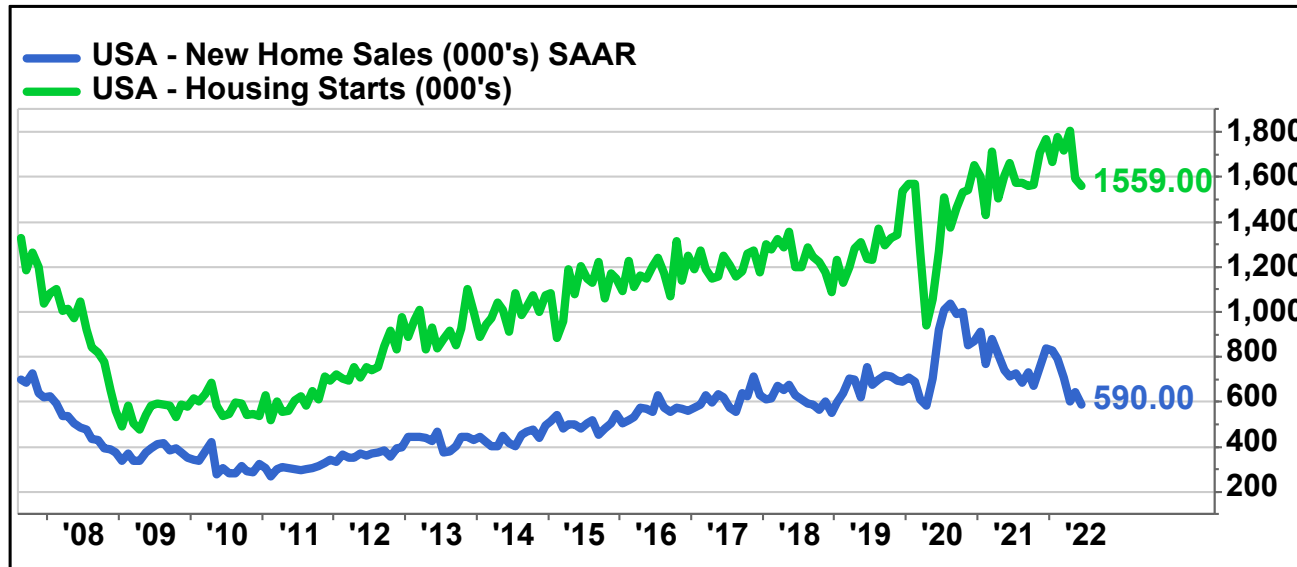
- The estimated earnings growth rate for S&P 500 companies is 6.7% in Q2 2022.
- The capacity utilization rate is at its highest level in more than a decade.

# US Economy – International Trade



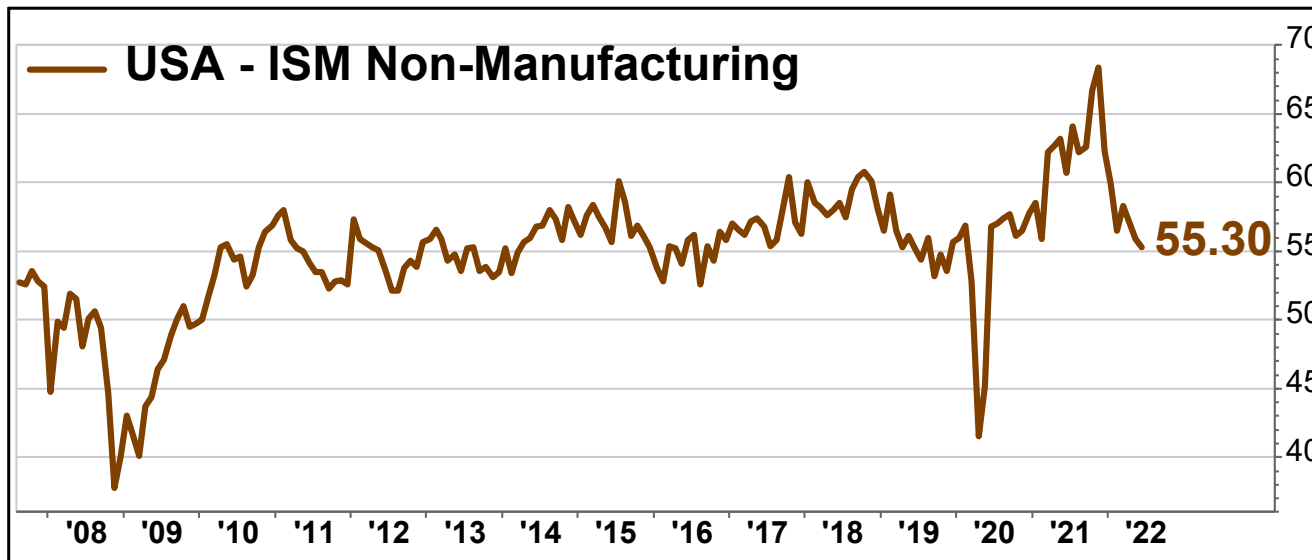
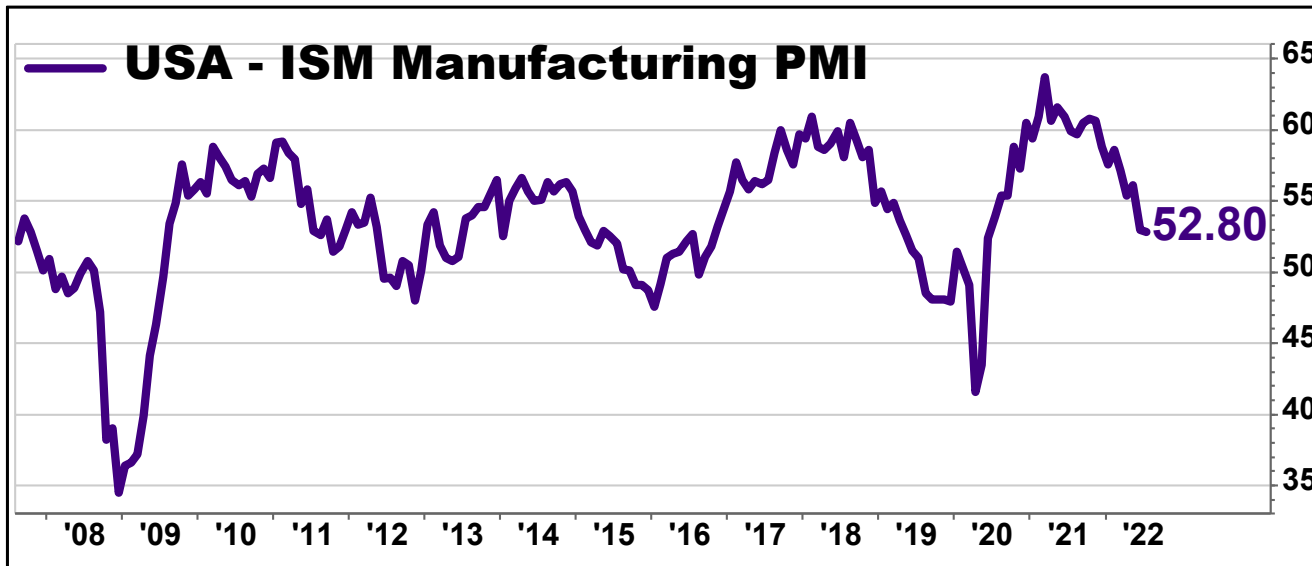
- The most recently available June data showed a continued rebound in net exports.

# US Economy – Housing Market



- Home prices continue to rise. The median sales price of homes in the United States is now over \$440,000, according to the St. Louis Fed.
- As rates increase, it is expected that home prices will cool off in response to increased mortgage rates.

# US Economy – Leading Indicators and Surveys



- Both Purchasing Manager Indexes in manufacturing and service sectors continued to show expansion in July, though at slower paces.

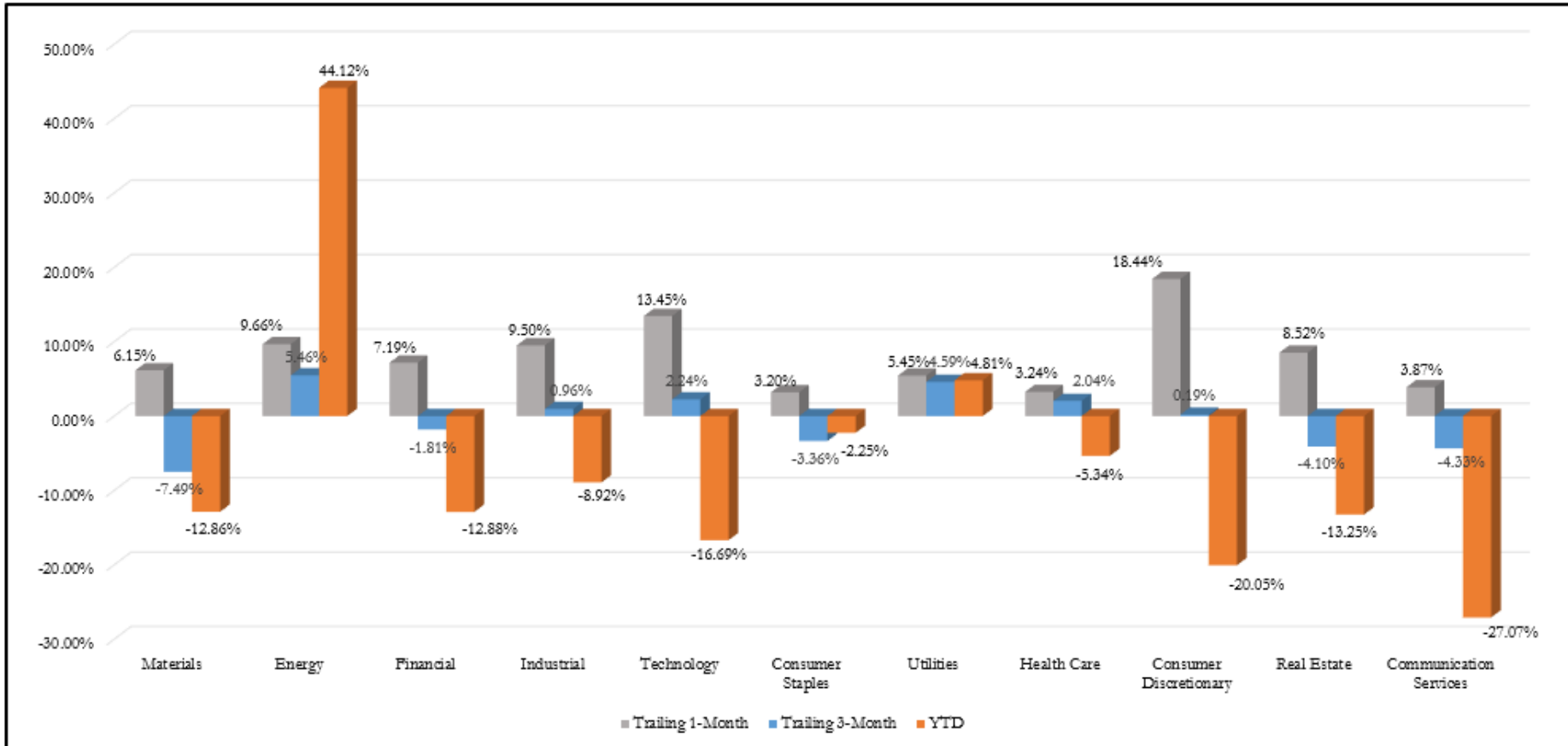
# Asset Class Performance

Sector/Asset Class	ETF	2017	2018	2019	2020	2021	YTD	Trailing 3-month	Trailing 1-month
US Large Cap	SPY	21.70%	-4.56%	31.22%	18.37%	28.75%	-12.62%	0.43%	9.21%
US Small Cap	IWM	14.59%	-11.11%	25.39%	20.03%	14.54%	-15.43%	1.52%	10.56%
Large Cap Value	IVE	15.25%	-9.19%	31.63%	1.21%	24.72%	-6.26%	-1.23%	5.91%
Large Cap Growth	IVW	27.22%	-0.19%	30.77%	33.19%	31.80%	-18.38%	2.10%	12.79%
Mid Cap Value	IWS	13.15%	-12.41%	26.74%	4.80%	28.10%	-9.15%	-1.47%	8.66%
Mid Cap Growth	IWP	24.94%	-4.87%	35.04%	35.24%	12.60%	-22.65%	-0.18%	12.23%
Small Cap Value	IWN	7.69%	-12.99%	22.01%	4.66%	27.96%	-9.48%	0.68%	9.62%
Small Cap Growth	IWO	22.25%	-9.42%	28.48%	34.68%	2.54%	-21.49%	2.35%	11.29%
International Equity	EFA	25.10%	-13.81%	22.03%	7.59%	11.46%	-14.58%	-2.09%	5.17%
Emerging Markets Equity	VWO	31.48%	-14.77%	20.76%	15.19%	1.30%	-15.60%	-4.18%	-0.79%
US REITs	VNQ	4.91%	-6.02%	28.87%	-4.68%	40.52%	-13.69%	-4.20%	8.62%
Infrastructure MLP	AMLP	-7.92%	-12.62%	5.98%	-32.19%	39.03%	23.36%	4.08%	12.74%
Gold	GLD	12.81%	-1.94%	17.86%	24.81%	-4.15%	-4.01%	-7.24%	-2.59%
Commodity	DJP	0.74%	-13.07%	7.63%	-4.12%	31.05%	26.20%	-6.17%	4.08%
High Yield Bond	JNK	6.48%	-3.27%	14.88%	4.95%	3.99%	-8.98%	0.09%	6.78%
Broad Bond	AGG	3.55%	0.10%	8.46%	7.48%	-1.77%	-7.88%	1.71%	2.54%
TIPs	TIP	2.92%	-1.42%	8.35%	10.84%	5.67%	-5.12%	0.07%	4.30%
Treasuries	IEF	2.55%	0.99%	8.03%	10.01%	-3.33%	-7.91%	2.70%	2.96%
Long Term Treasuries	TLT	9.18%	-1.61%	14.12%	18.15%	-4.60%	-19.98%	-1.15%	2.43%
Short Term Treasuries	SHV	0.67%	1.72%	2.36%	0.81%	-0.10%	-0.10%	0.08%	0.09%

Note: As of July 31<sup>st</sup>, 2022.

- Growth stocks led the market rally in July.

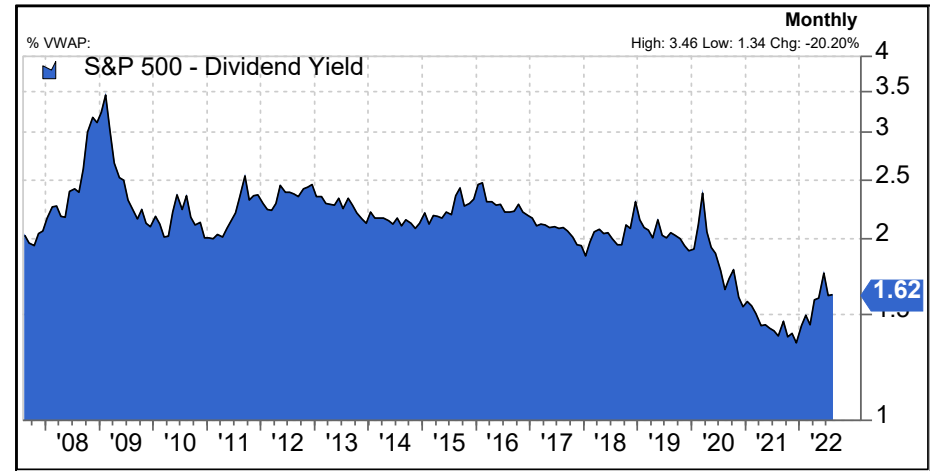
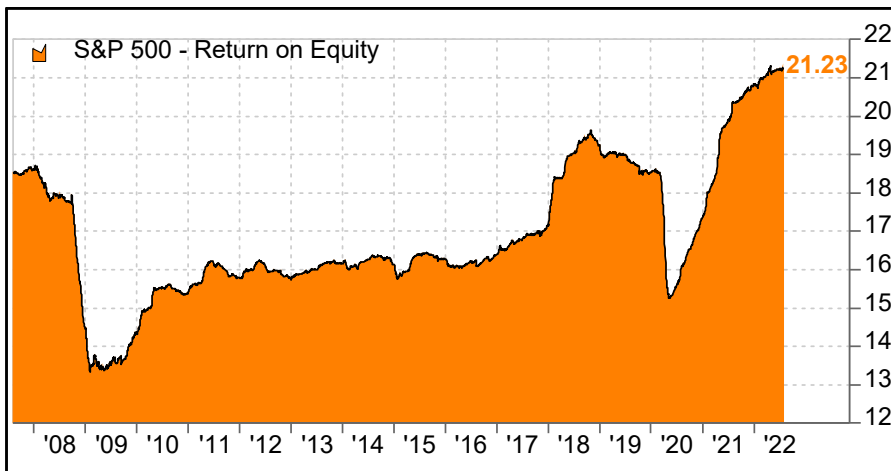
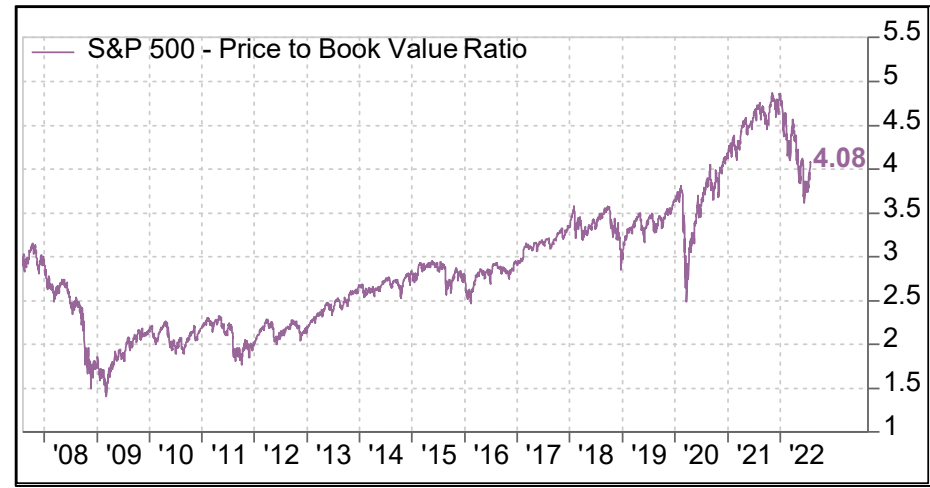
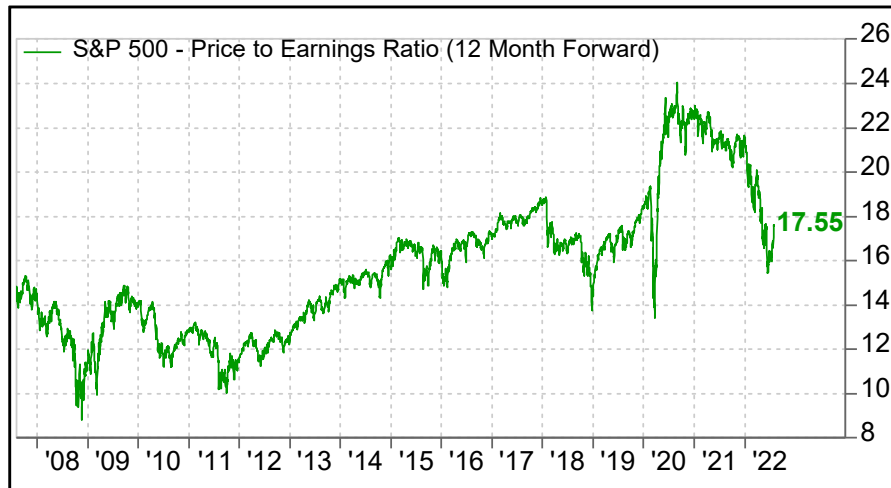
# US Sector Performance



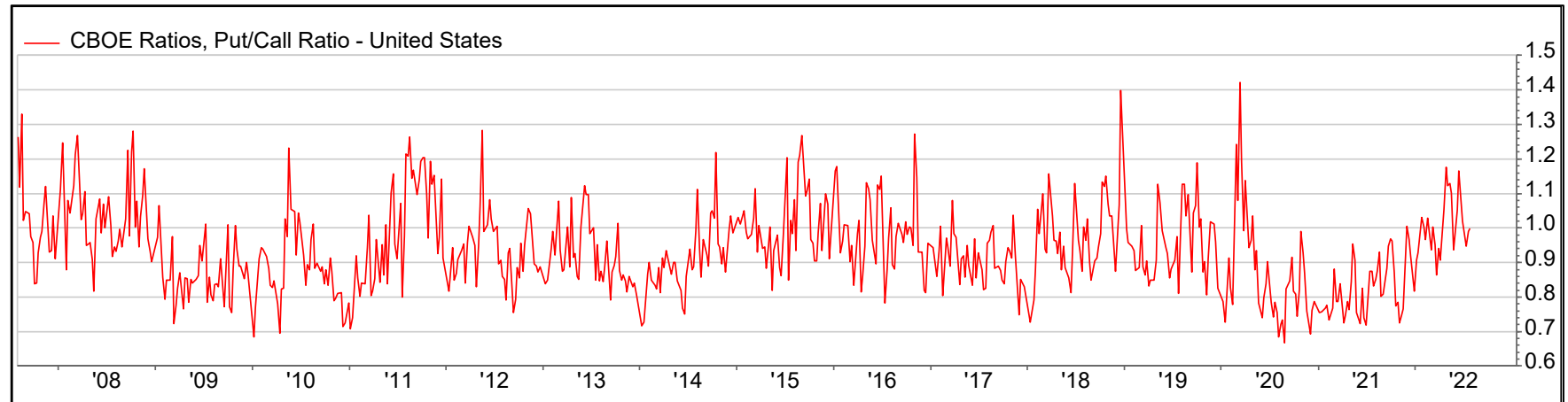
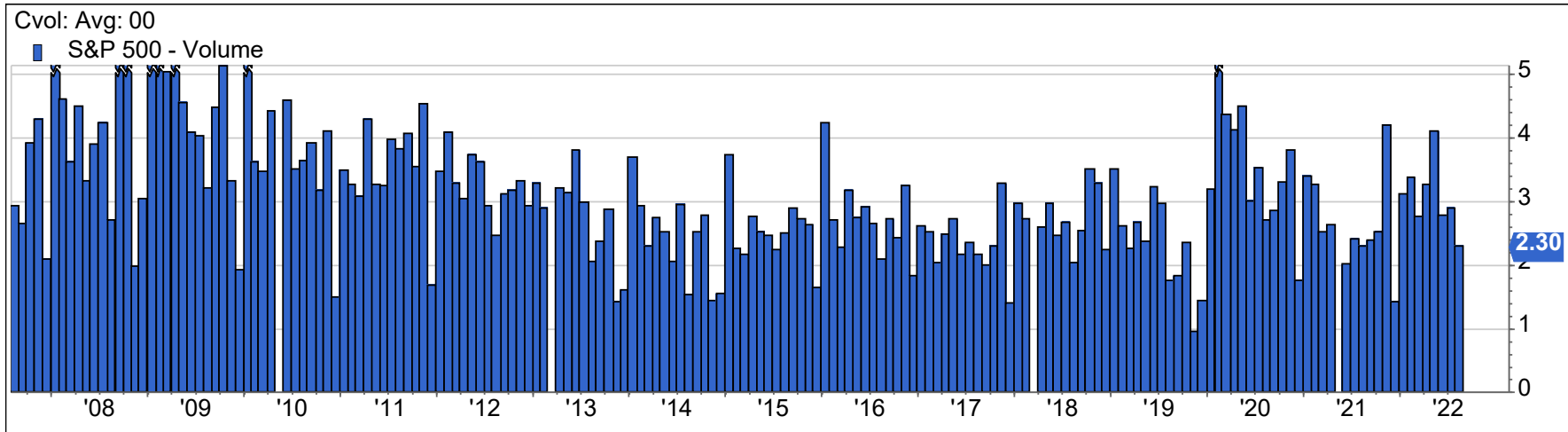
Note: As of July 31<sup>st</sup>, 2022.

- Every sector was positive in July.
- Utilities and Energy companies are the only positive performers on the year.

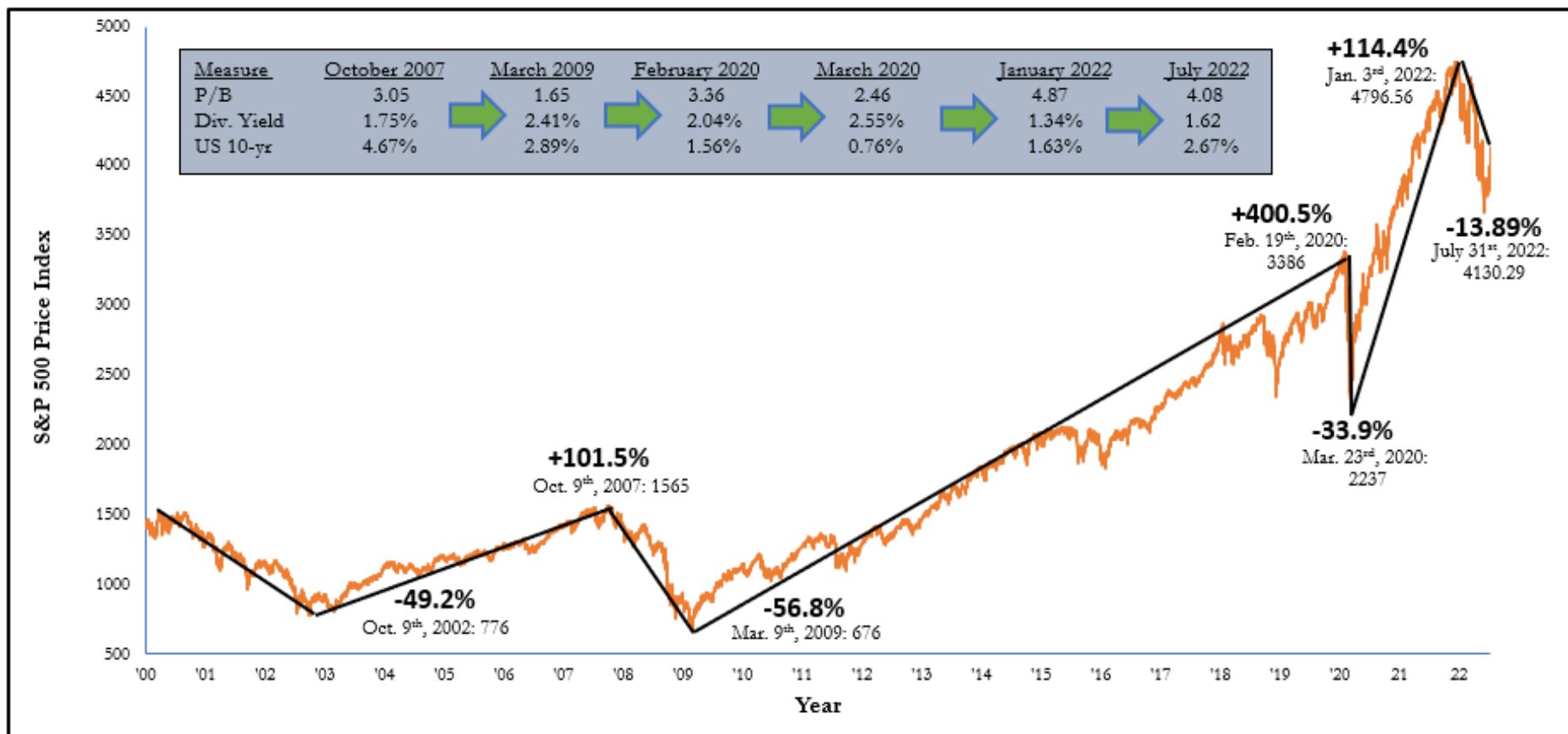
# US Equity Market Fundamentals



- Following the market rebound, valuations became less attractive.



- The Put/Call Ratio stood around 1.0 at the end of July.



Note: As of July 31<sup>st</sup>, 2022.

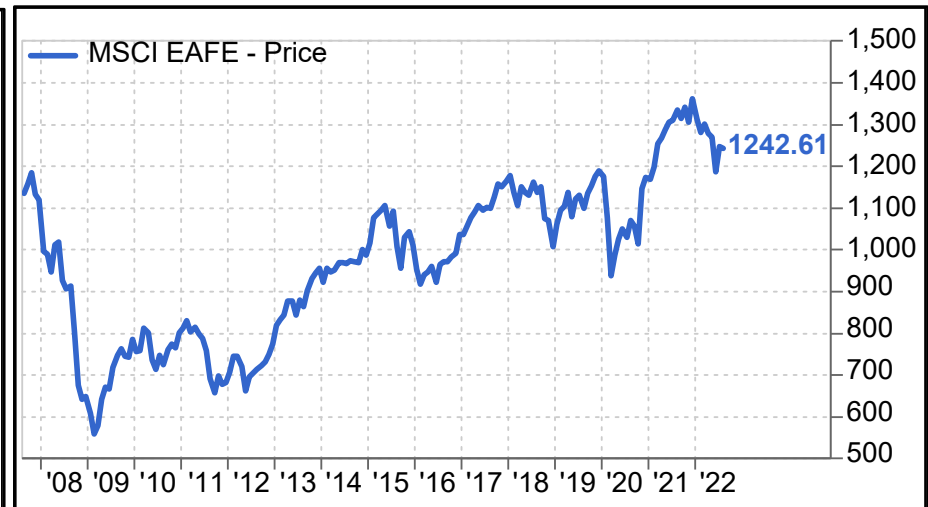
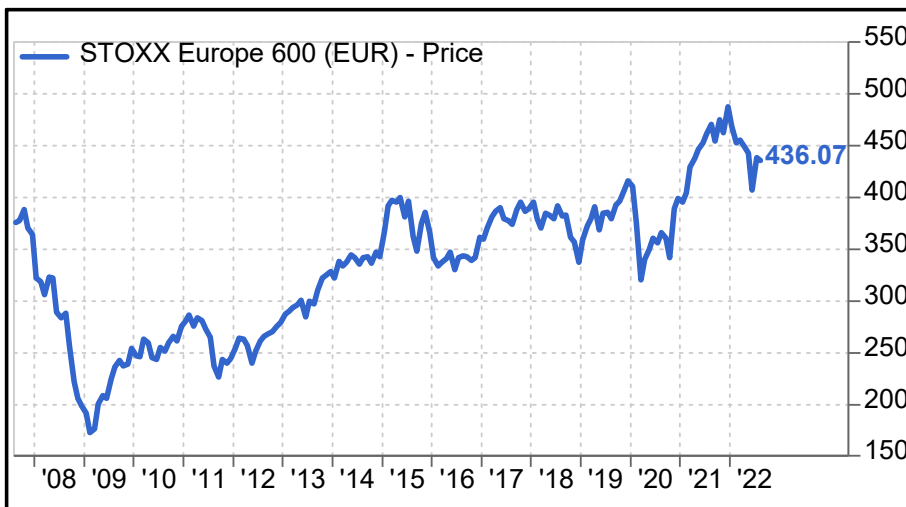
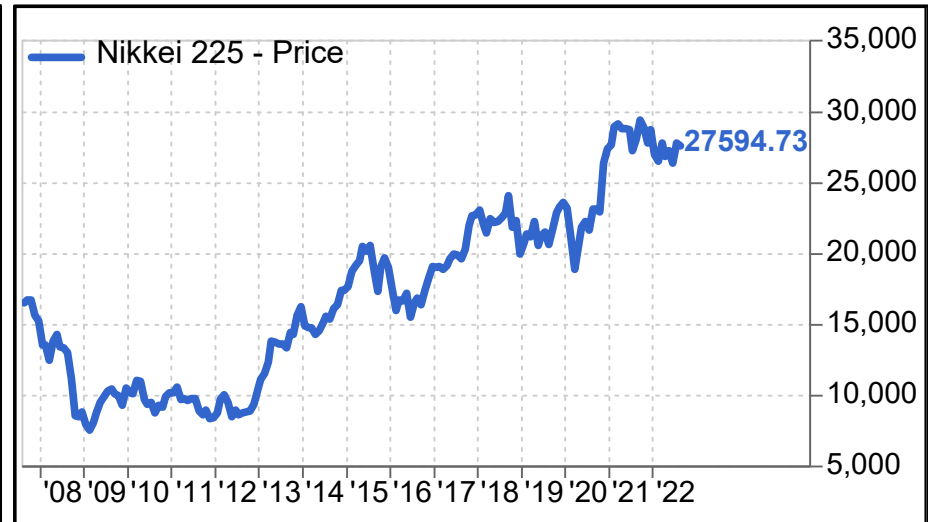
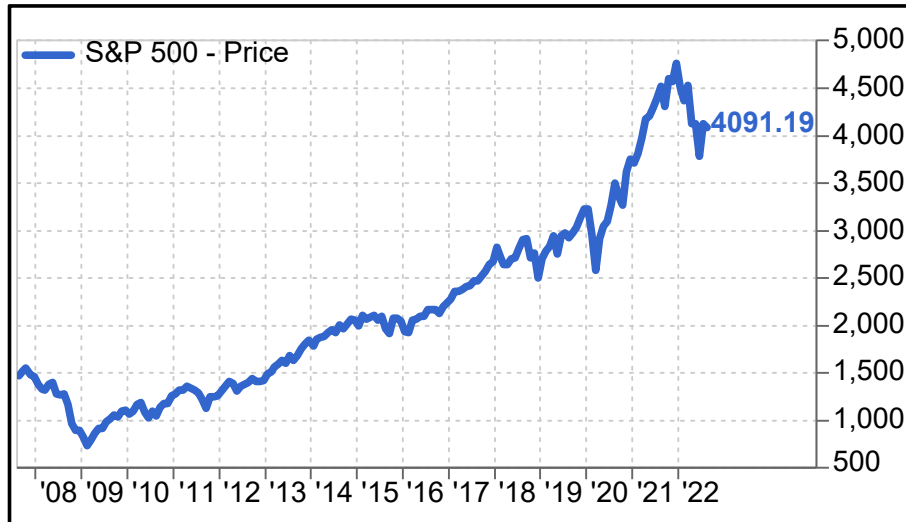
Data Source: FactSet, Yahoo Finance, and www.treasury.gov

# Global Equity Performance - Country Comparison

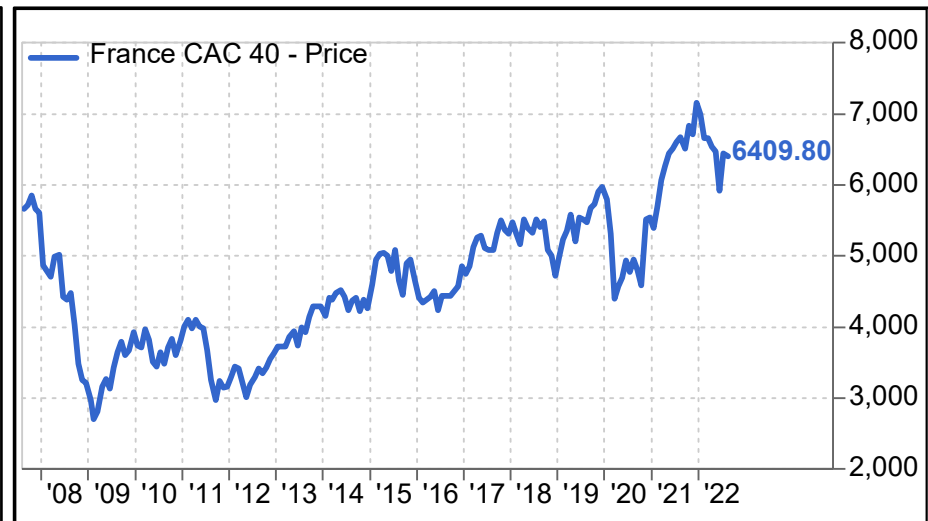
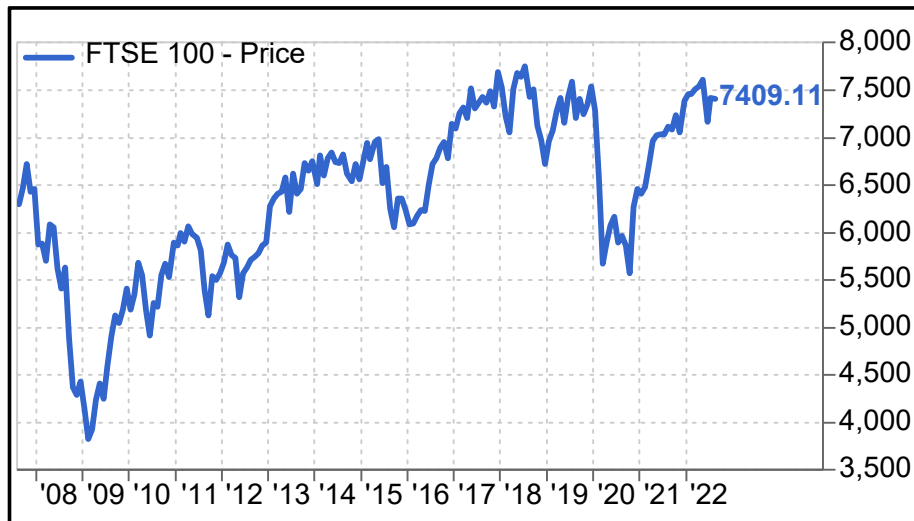
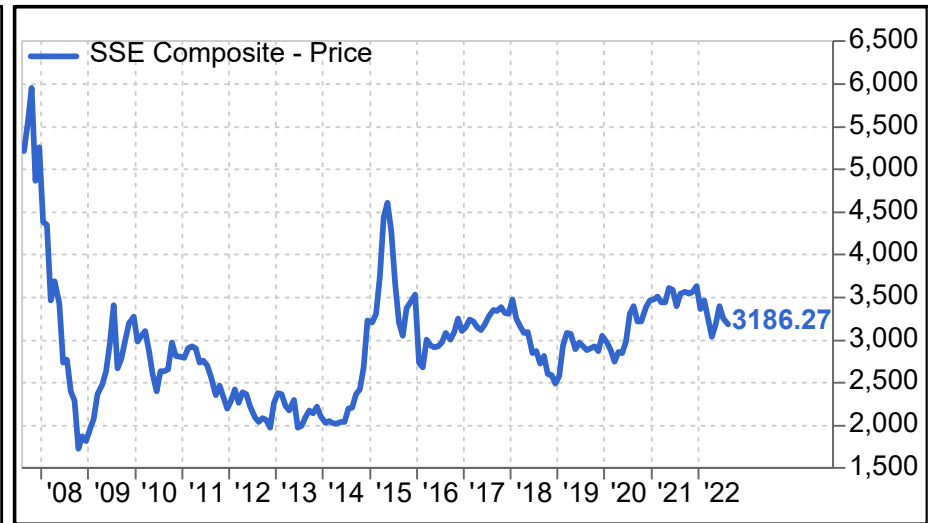
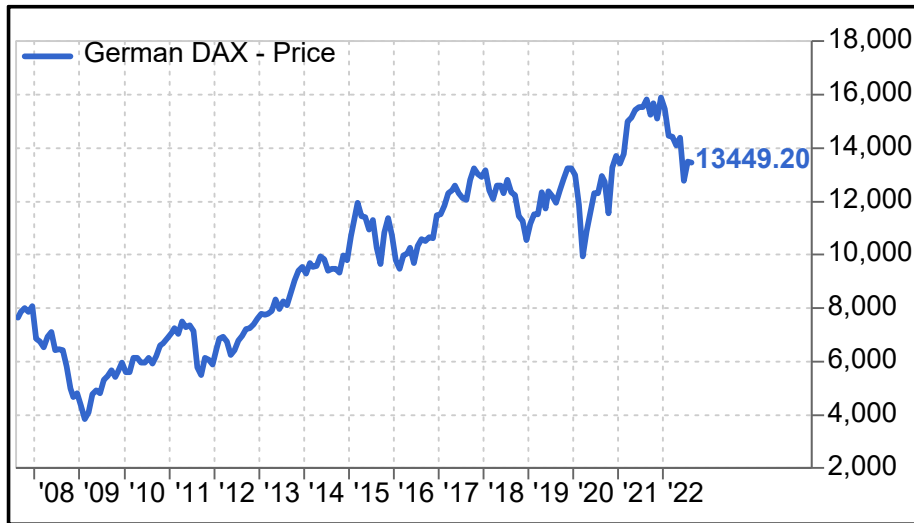
2017	2018	2019	2020	2021	YTD	Trailing 3-month	Trailing 1-month
China 54.68%	Brazil -2.56%	United States 31.22%	China 27.78%	United States 28.75%	Brazil 8.31%	United States 0.43%	United States 9.21%
India 36.15%	India -4.29%	Brazil 27.65%	United States 18.37%	Canada 1.7%	England -5.02%	Japan 0.14%	India 7.77%
France 29.13%	United States -4.56%	Canada 27.56%	Japan 15.41%	France 21.47%	India -6.53%	France -0.11%	France 6.53%
Italy 28.73%	France -12.88%	Italy 26.97%	Germany 10.56%	India 19.55%	Canada -7.43%	China -0.95%	Japan 6.28%
Germany 27.45%	Japan -14.09%	France 26.67%	India 10.01%	England 18.22%	Spain -11.37%	India -1.23%	Brazil 5.95%
Spain 26.99%	England -14.28%	China 23.7%	Canada 5.52%	Italy 14.41%	United States -12.62%	England -2.55%	Canada 4.84%
Japan 24.27%	Spain -15.32%	England 21.25%	France 2.85%	Germany 5.84%	Japan -15.32%	Canada -3.99%	England 3.17%
Brazil 23.56%	Canada -17.16%	Japan 19.33%	Italy 1.67%	Japan 1.17%	France -15.35%	Spain -5.24%	Germany 2.48%
United States 21.70%	Italy -17.19%	Germany 19.15%	Spain -3.96%	Spain 0.27%	China -20.37%	Germany -6.54%	Italy 2.33%
England 21.59%	China -19.77%	Spain 11.91%	England -11.8%	Brazil -17.28%	Italy -22.6%	Brazil -7.23%	Spain -1.63%
Canada 15.74%	Germany -21.37%	India 9.99%	Brazil -20.33%	China -21.73%	Germany -25.84%	Italy -7.41%	China -10.97%
Emerging Markets 37.40%	Developed Markets -13.81%	Developed Markets 22.03%	Emerging Markets 17.88%	Developed Markets 11.46%	Developed Markets -14.58%	Developed Markets -2.09%	Developed Markets 5.17%
Developed Markets 25.10%	Emerging Markets -14.93%	Emerging Markets 17.79%	Developed Markets 7.59%	Emerging Markets -0.61%	Emerging Markets -17.07%	Emerging Markets -4.99%	Emerging Markets 0%

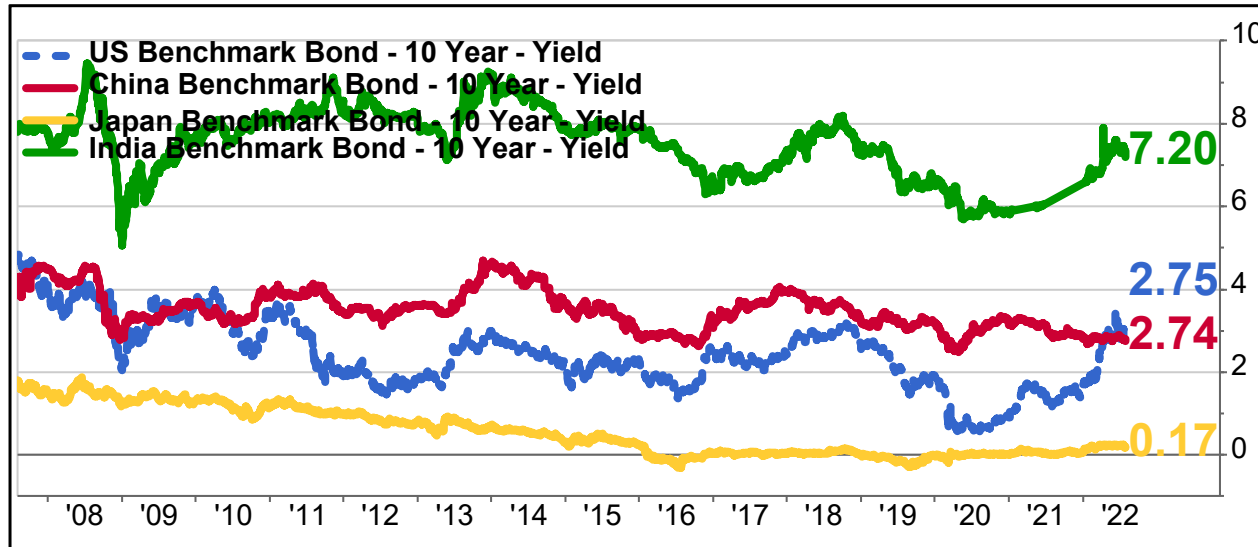
Note: As of July 31<sup>st</sup>, 2022. Numbers reflective of ETF performance.

# Global Equity- Major Indices

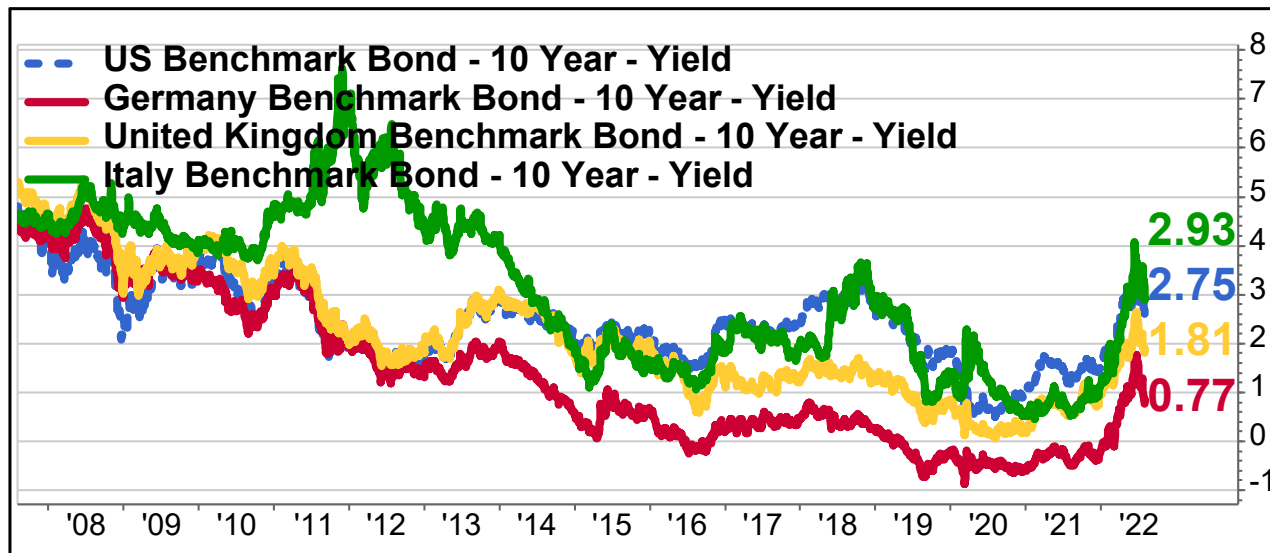


# Global Equity- Major Indices

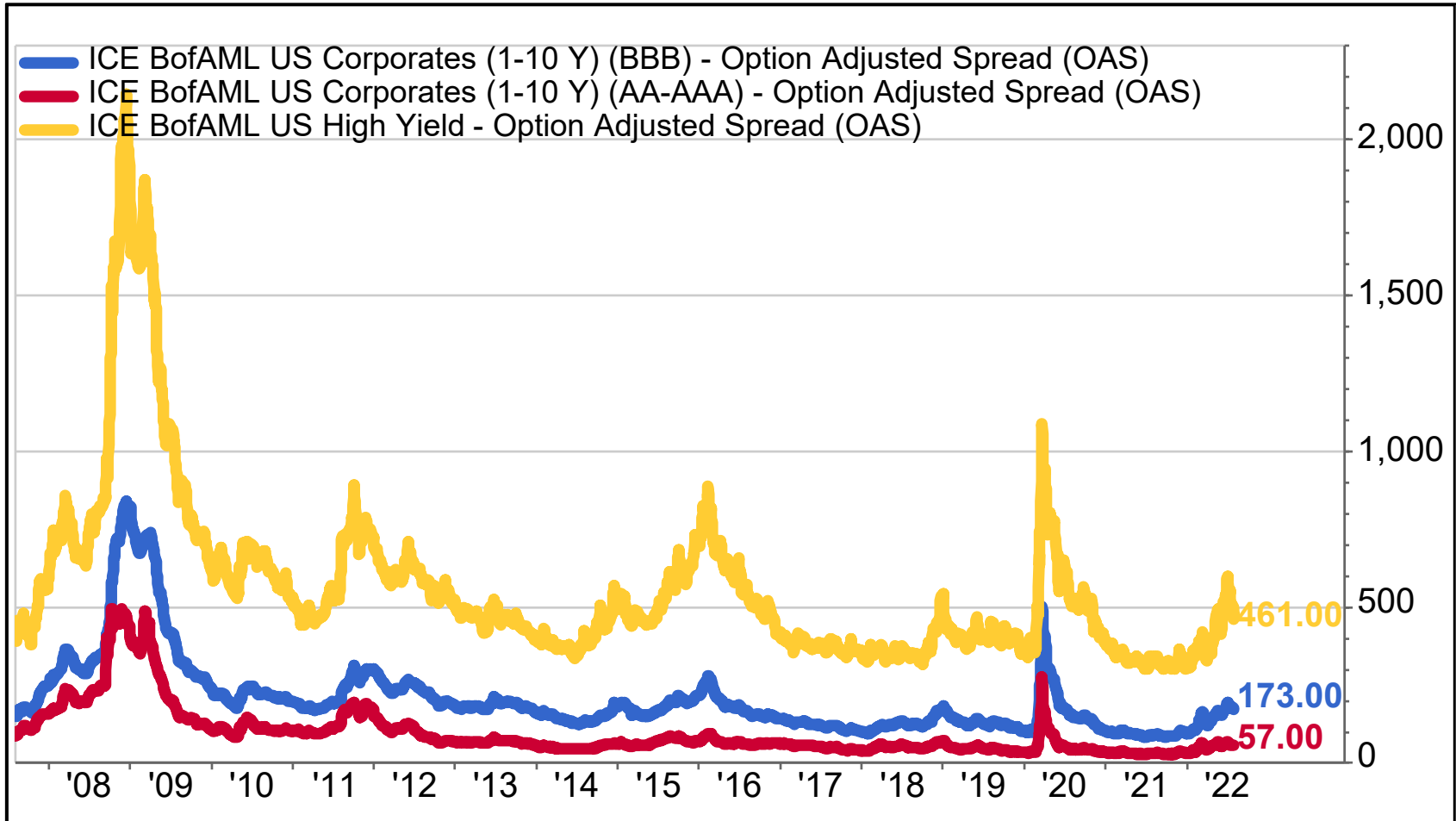




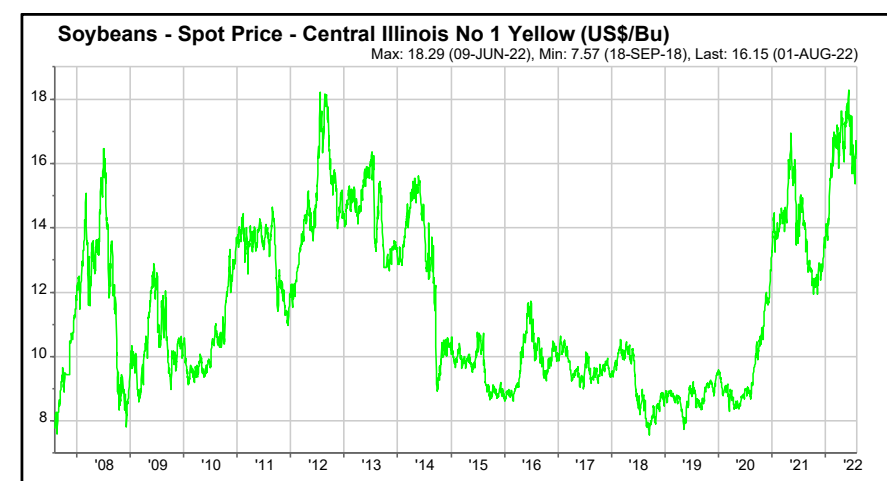
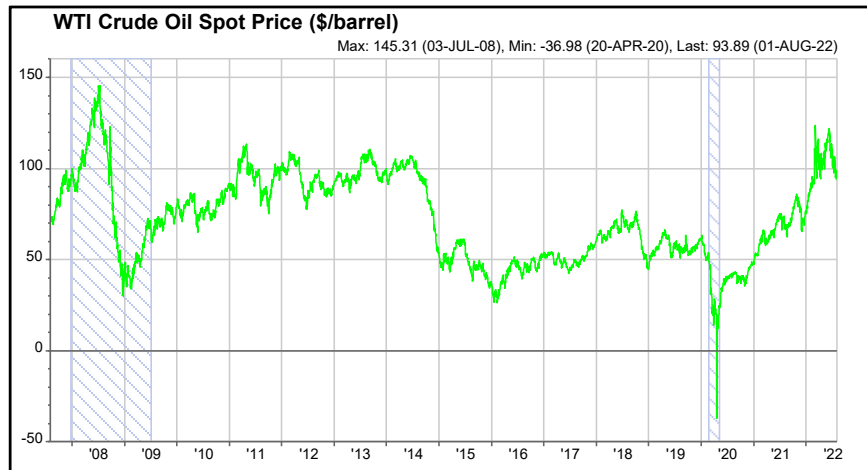
- Yields on sovereign debt decreased in July.



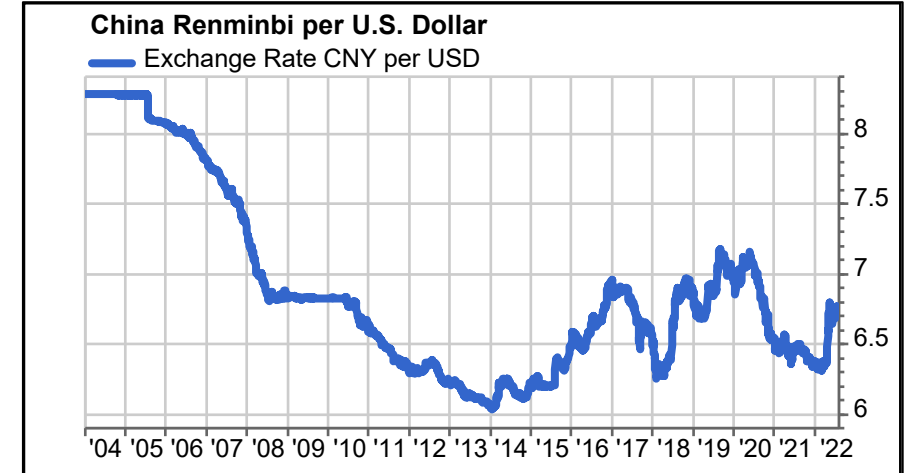
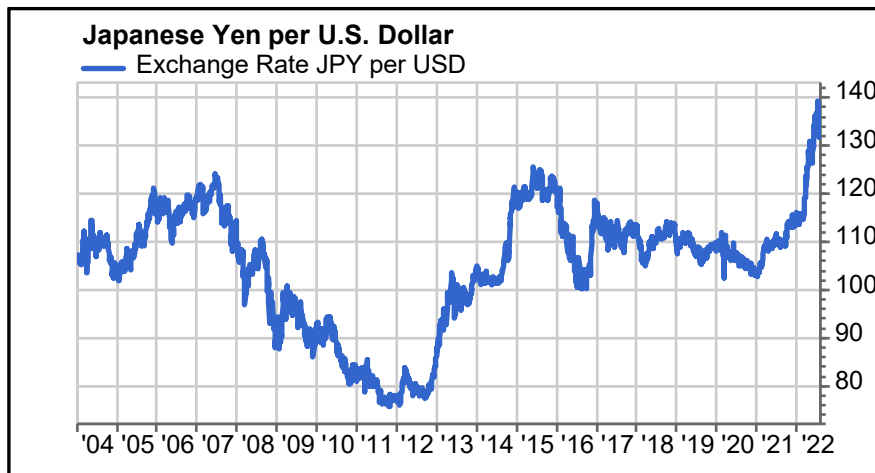
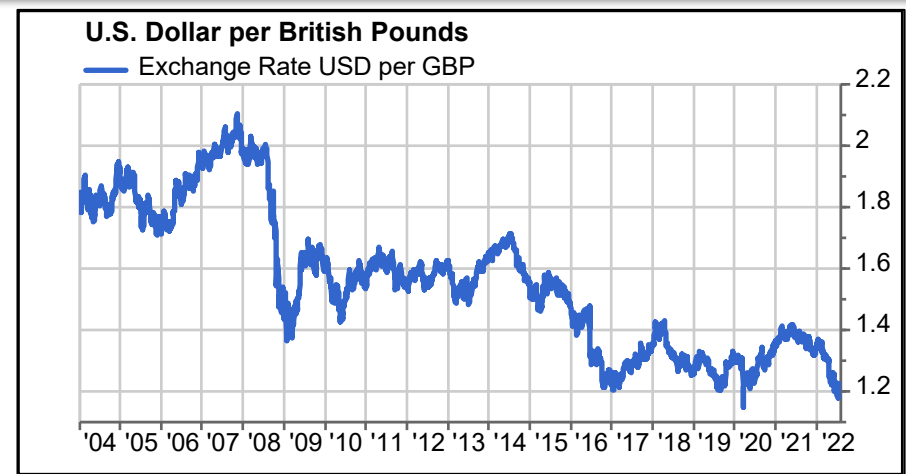
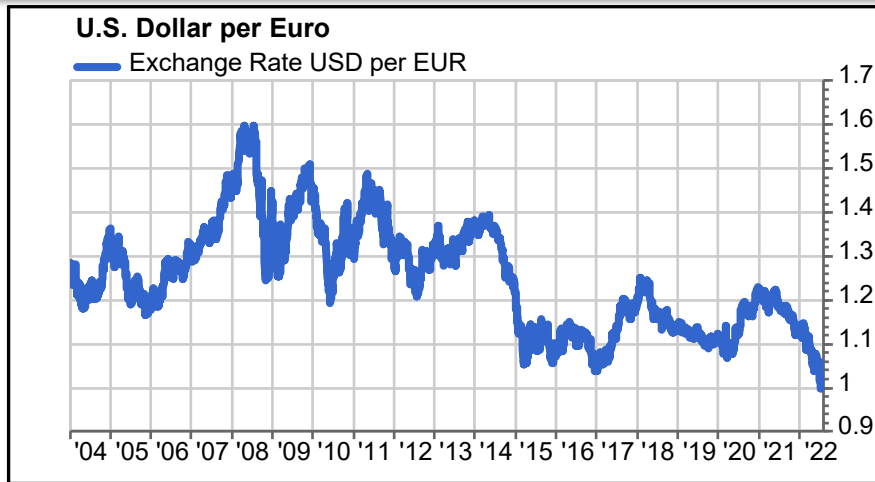
# Credit Market - Corporate Spreads



- Spreads decreased in July.



- As of 7/31/2022, WTI Crude: \$98.72/Barrel; Gold: \$1753.40 Troy Oz; Copper: \$7800.50/MT; Soybean: \$16.68/Bu.



- As of 7/31/2022, FX rates are: 1.02 USD/EUR, 1.22 USD/GBP, 133.65 JPY/USD, 6.74 CNY/USD.

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