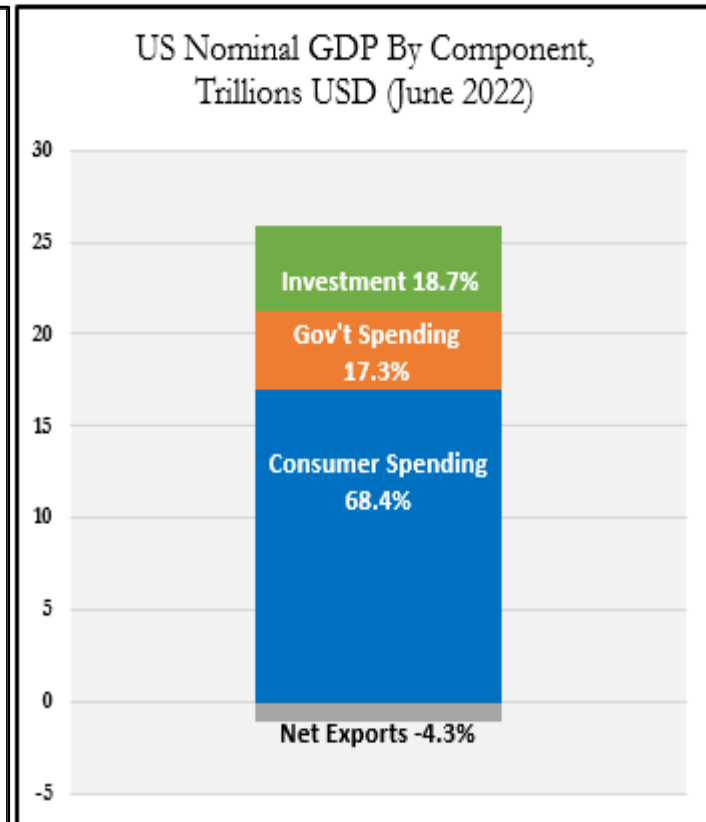
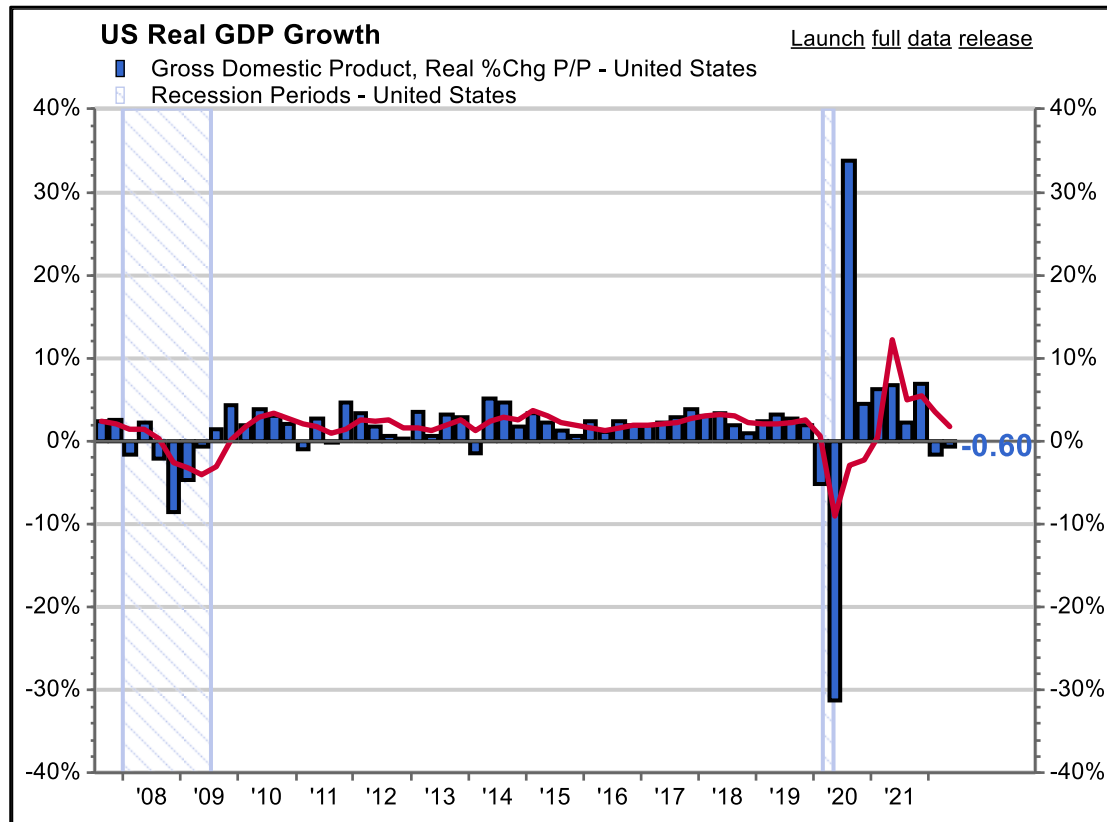


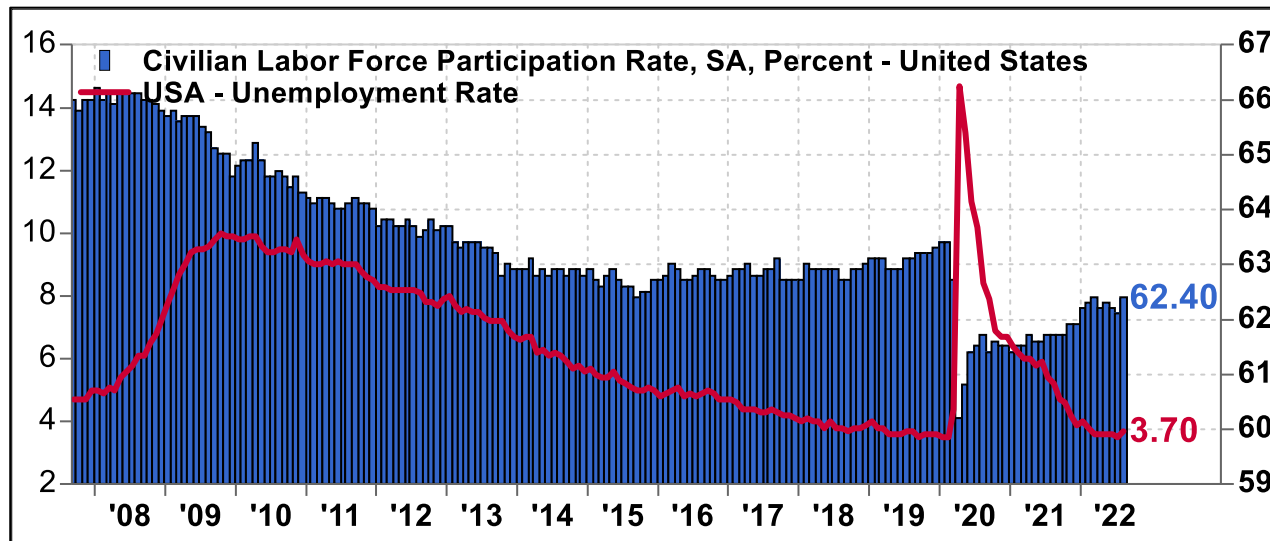
# JULEX MACRO CHART BOOK

August 2022

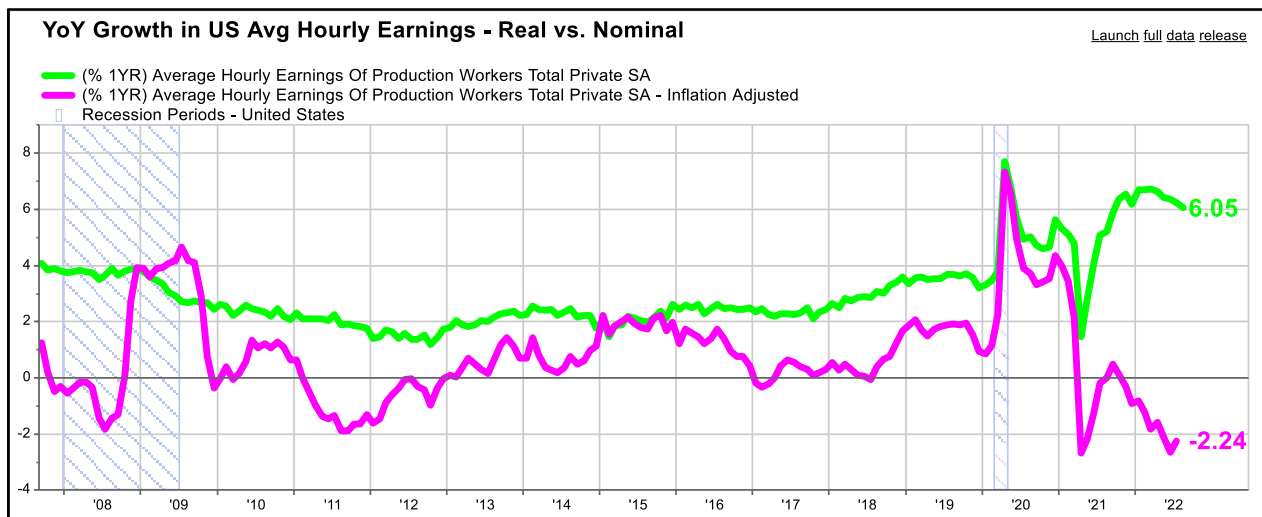
For Institutions and Investment Advisers Only.  
All Data From FactSet Unless Otherwise Noted.  
[www.julexcapital.com](http://www.julexcapital.com)

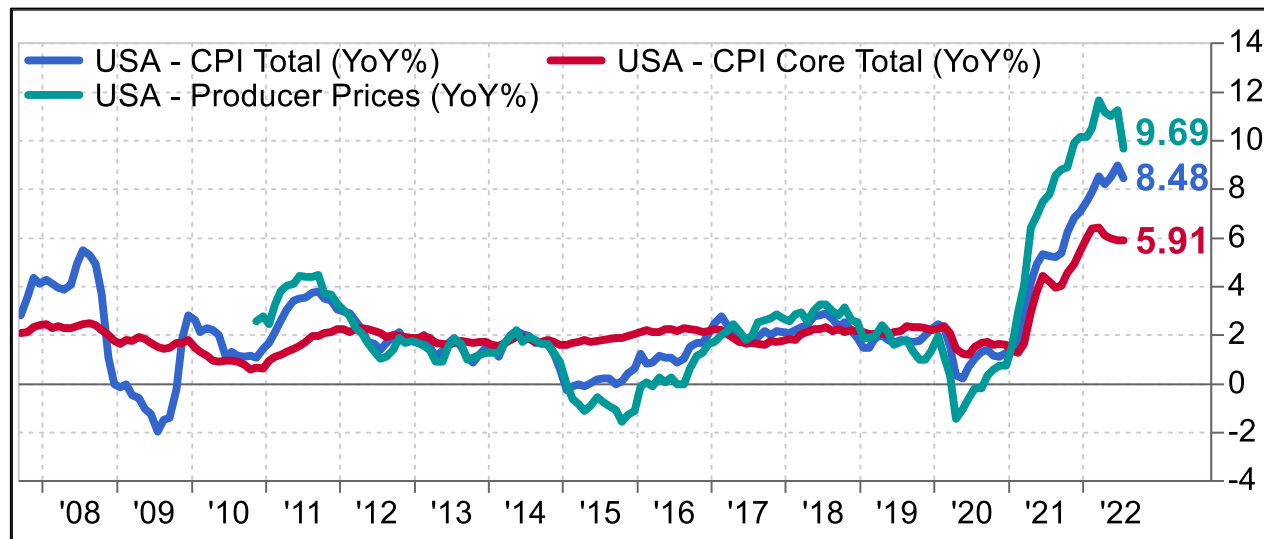


- The US economy shrunk by an adjusted 0.6% in Q2 2022, meeting the definition of a technical recession.

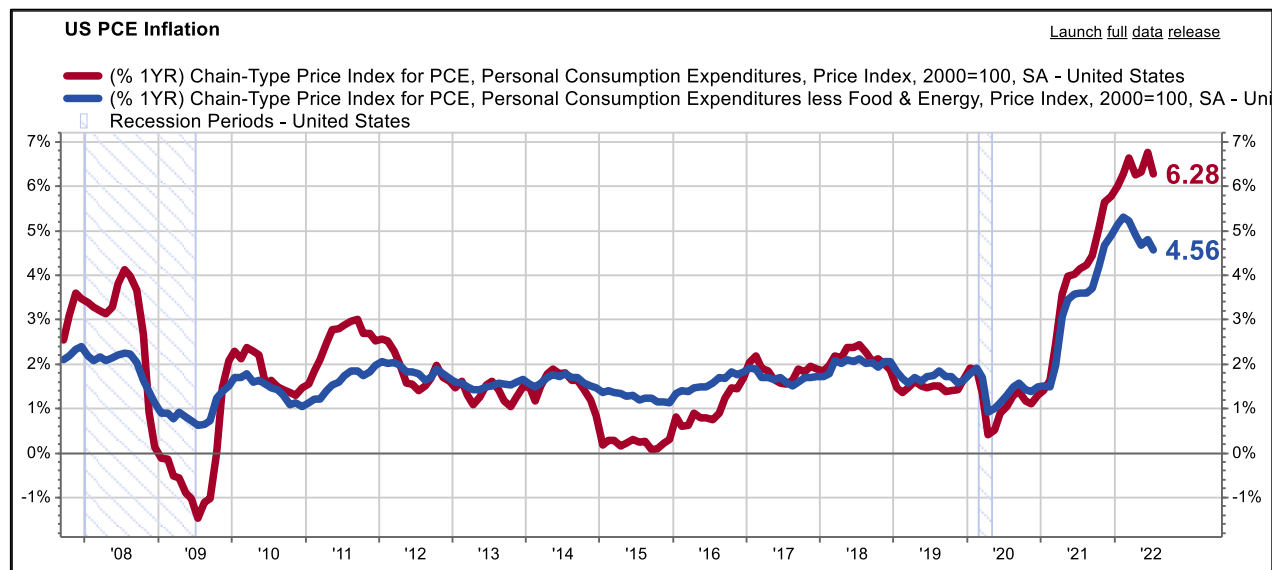


- The August jobs report saw the addition of some 315,000 jobs, in line with expectations. The unemployment rate rose to 3.7% as more people entered the workforce.
- Real wage growth remains significantly negative and nominal wage growth fell short of estimates.



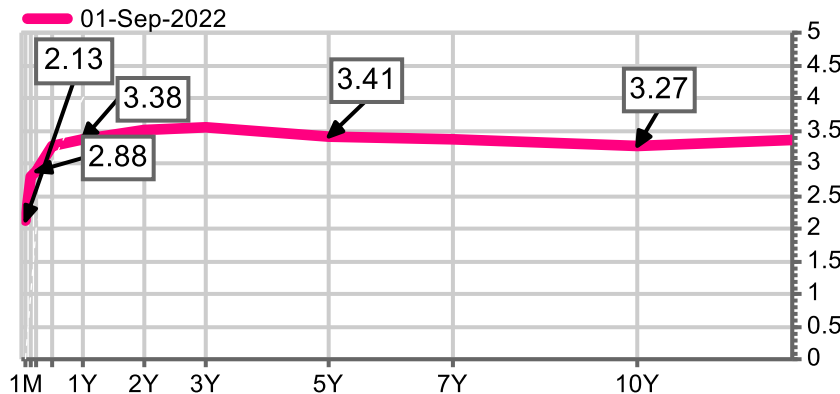


- Inflation continues to be a dominant concern as CPI inflation approaches 10% YoY growth.
- The growth in PCE Inflation has slowed from its historic marks, leading to hopes that inflation has peaked.

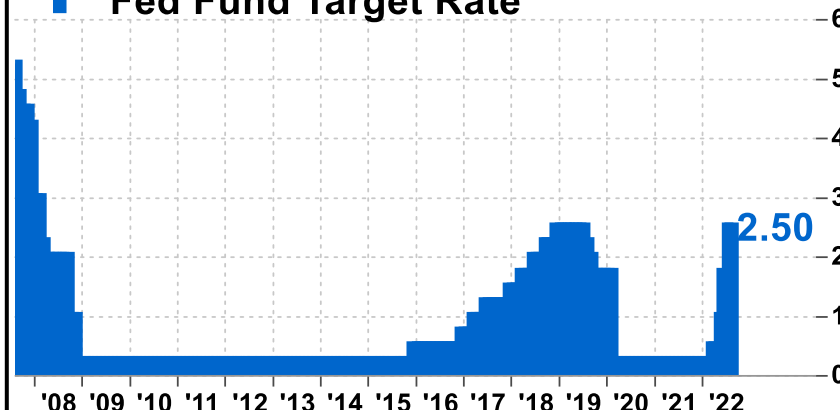


# US Economy - Monetary Policies

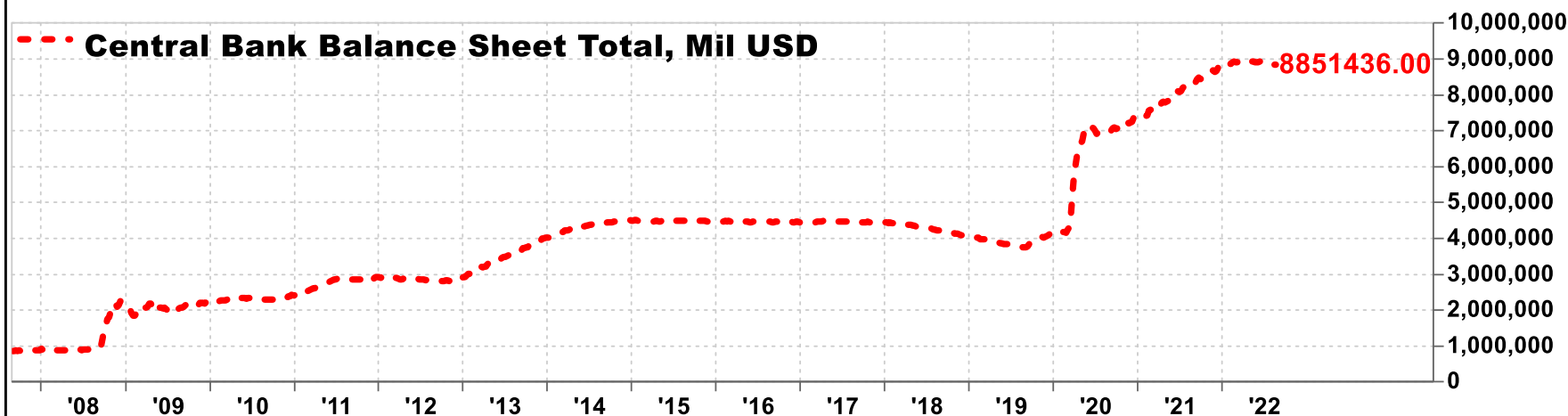
United States Treasury Yield Curve



Fed Fund Target Rate

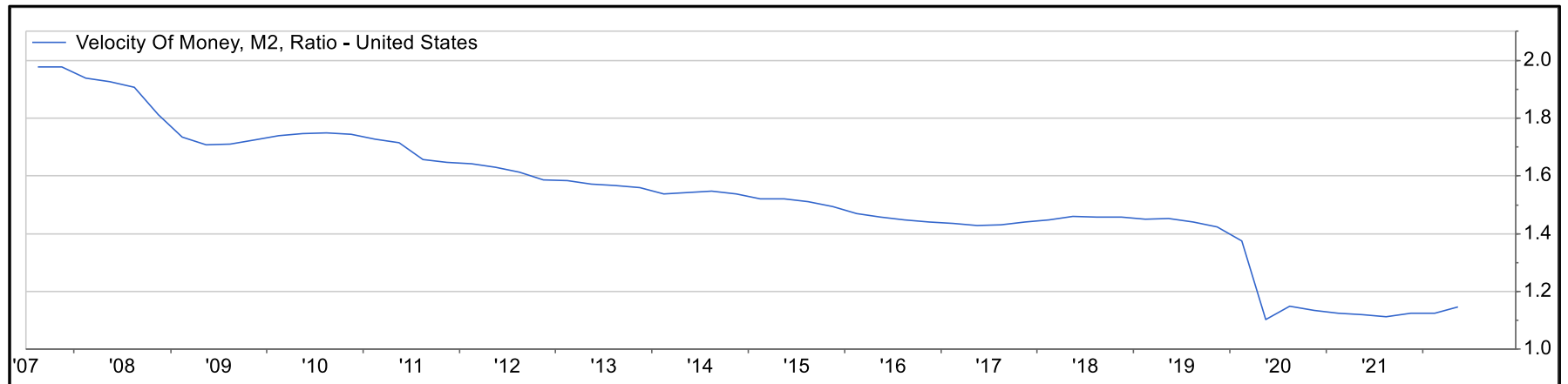
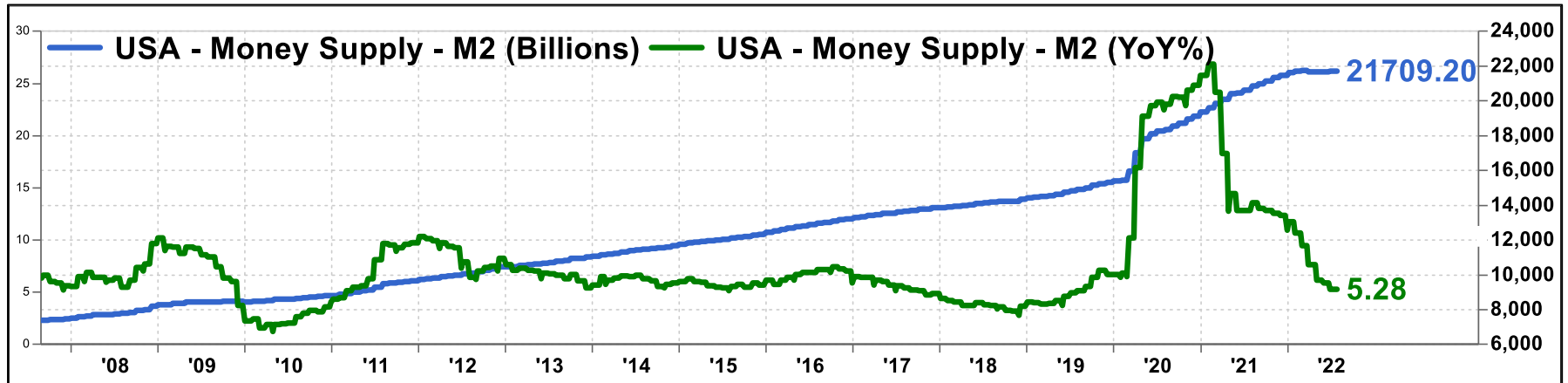


Central Bank Balance Sheet Total, Mil USD



- The yield curve has flattened on expirations more than a year out.
- The Fed has continued quantitative tightening as the balance sheet fell by \$4 billion in August.

# 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.

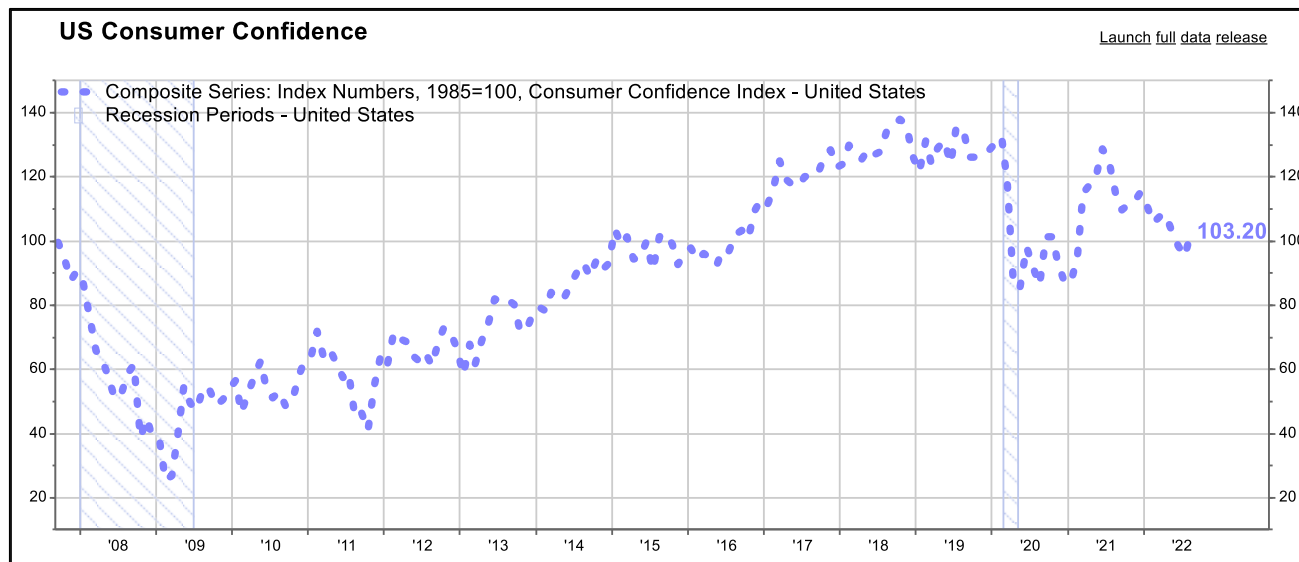


# US Economy - Fiscal Policies

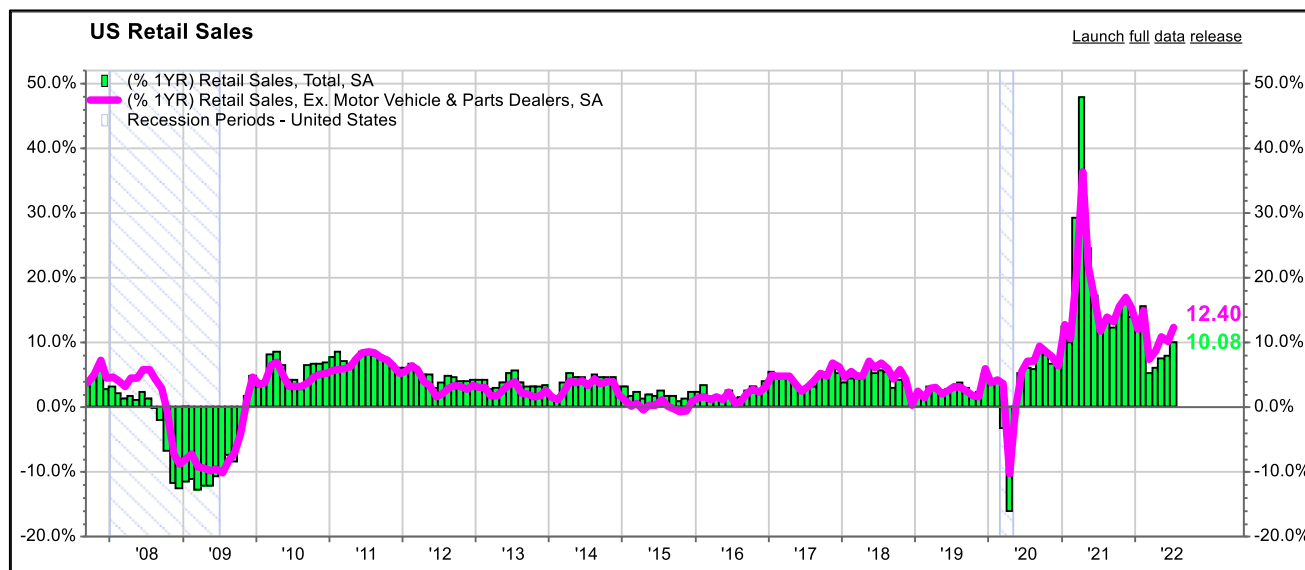
	2022 (Projected)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Government Revenues (Billions):</b>													
Individual Income Taxes	2,622.5	2,044.4	1,608.7	1,717.9	1,683.5	1,587.1	1,546.1	1,540.8	1,394.6	1,316.4	1,132.2	1,091.5	898.5
Payroll Taxes	1,464.6	1,314.1	1,310.0	1,243.1	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>

- On the heels of passing the Inflation Reduction Act, a measure designed to fight climate change and reduce health care costs by imposing 15% minimum tax on corporations and enhancing IRS enforcements, President Biden canceled up to \$10,000 per person in student loan debts while also crafting new income-based repayment plans for future federal borrowers.

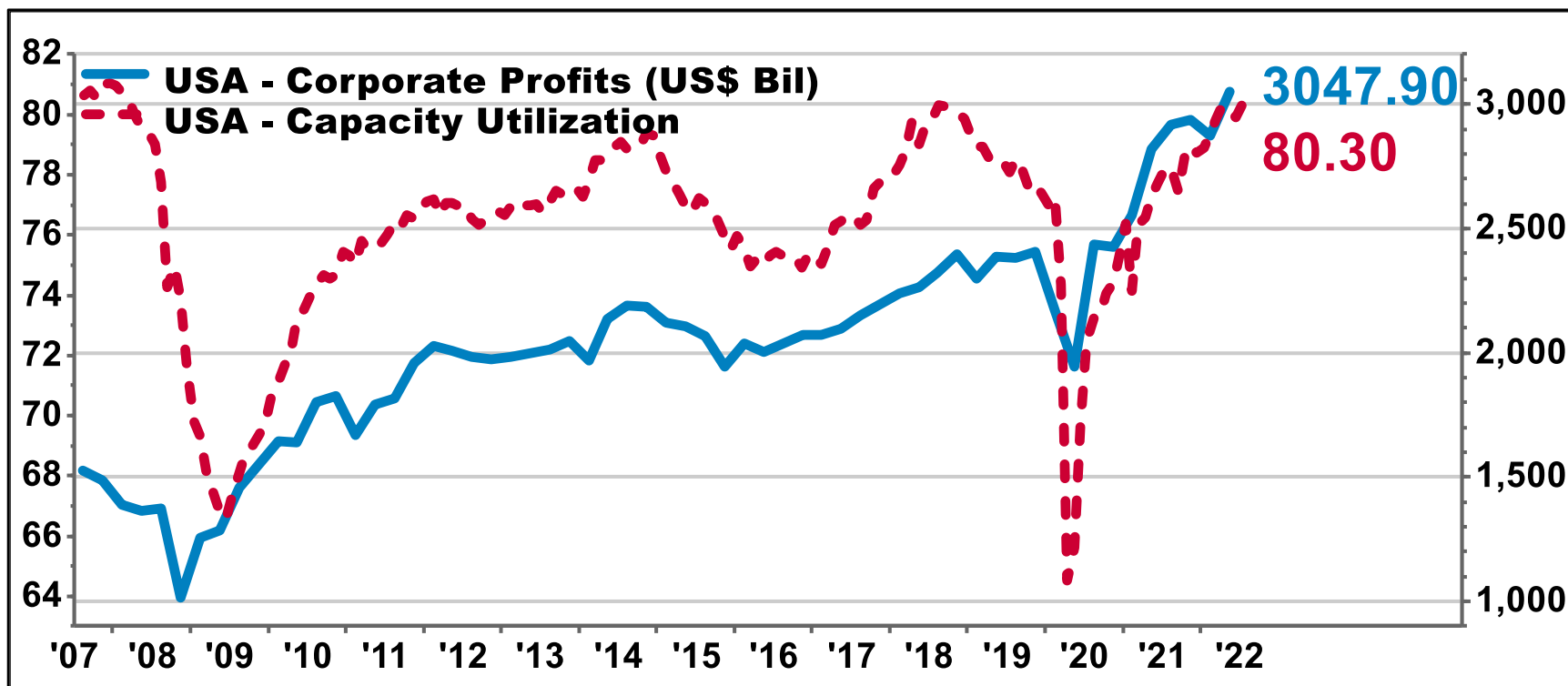
# US Economy - Consumption



- 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.

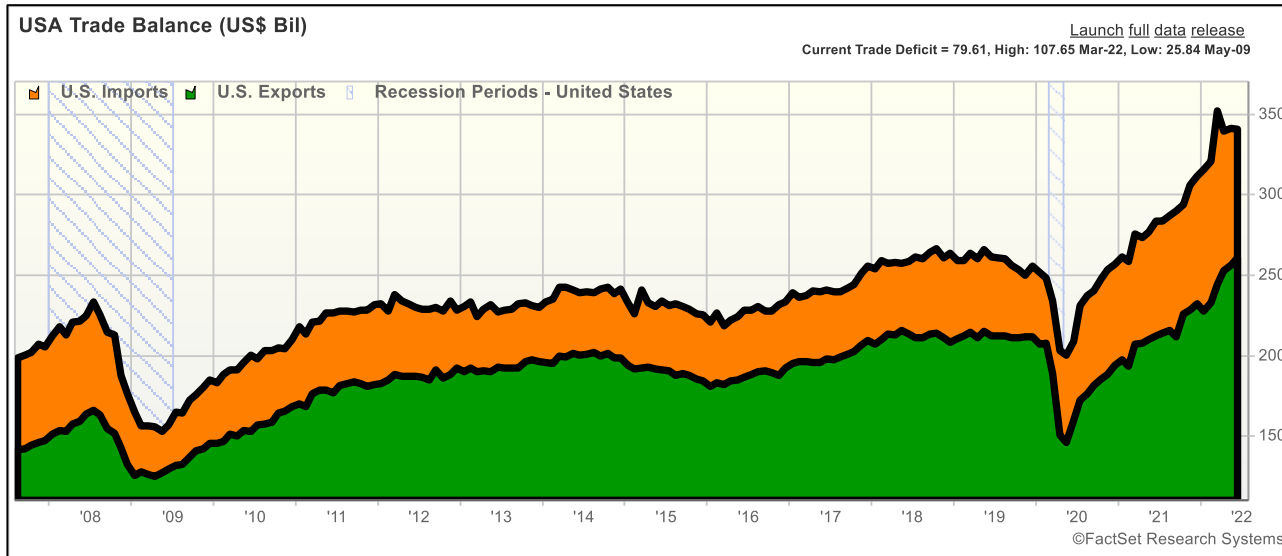




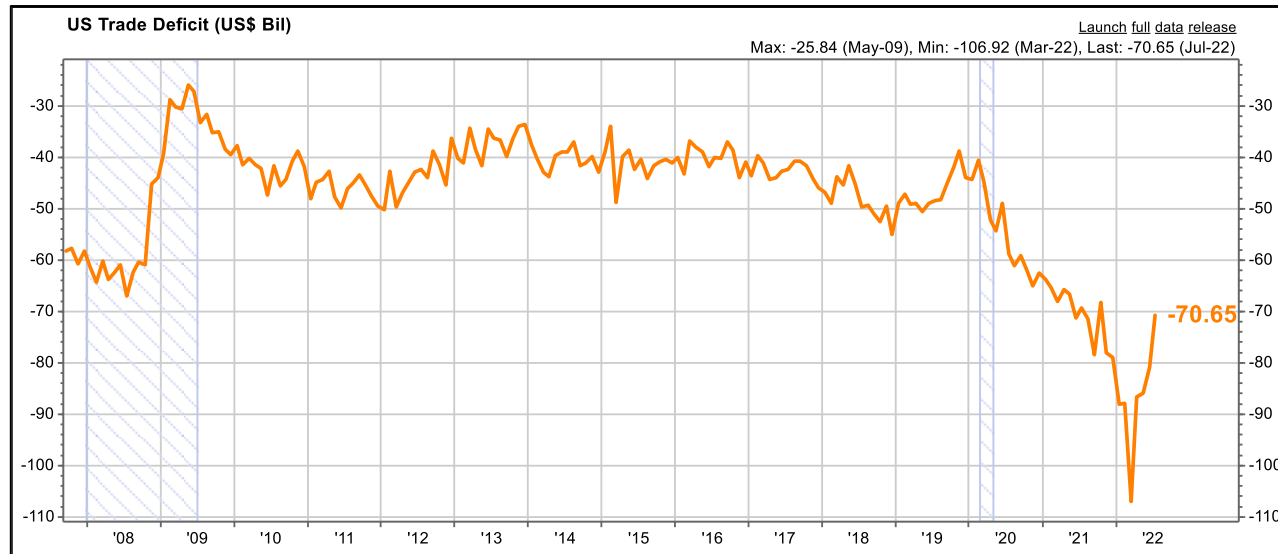


- The estimated earnings growth rate for S&P 500 companies is 6.3% in Q2 2022.
- The capacity utilization rate is at its highest level in more than a decade.

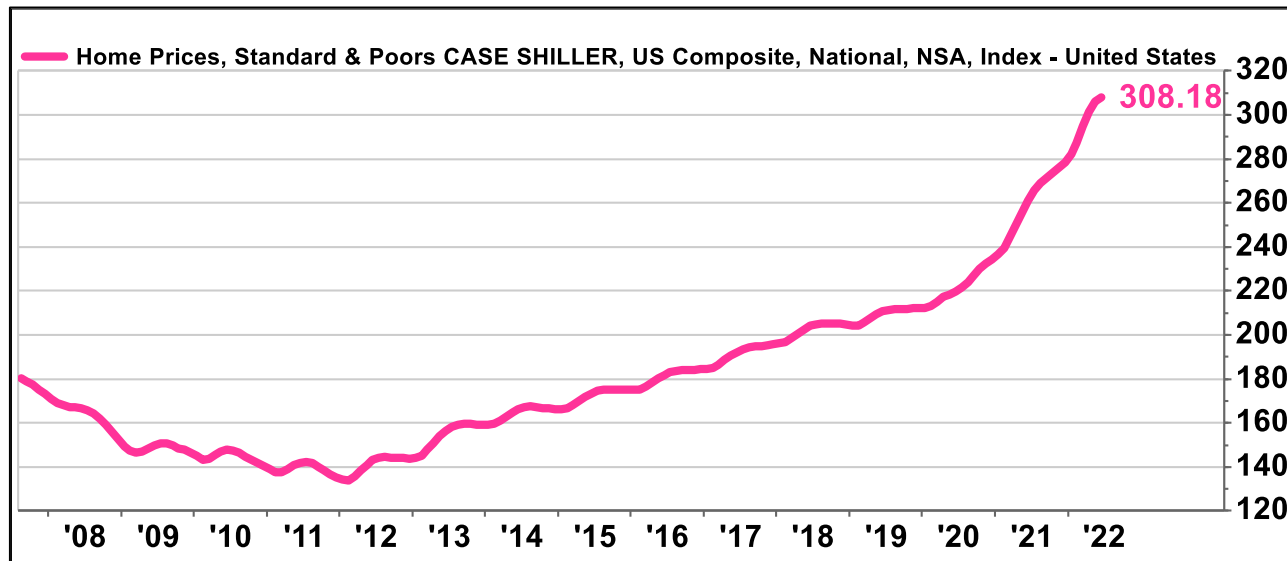
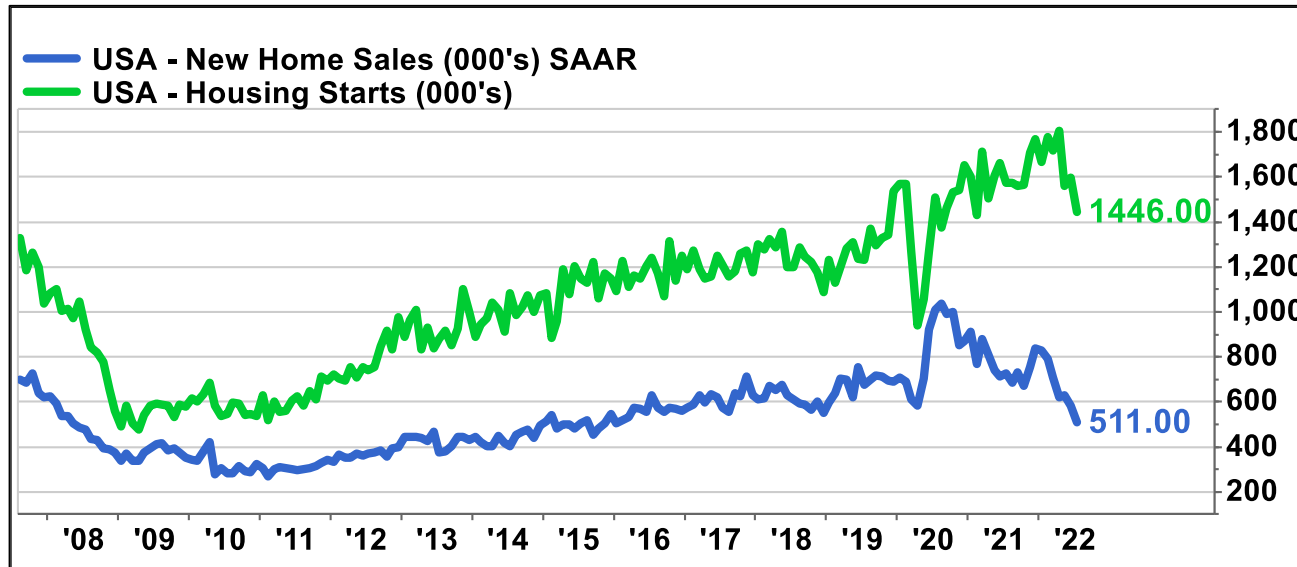
# US Economy – International Trade



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

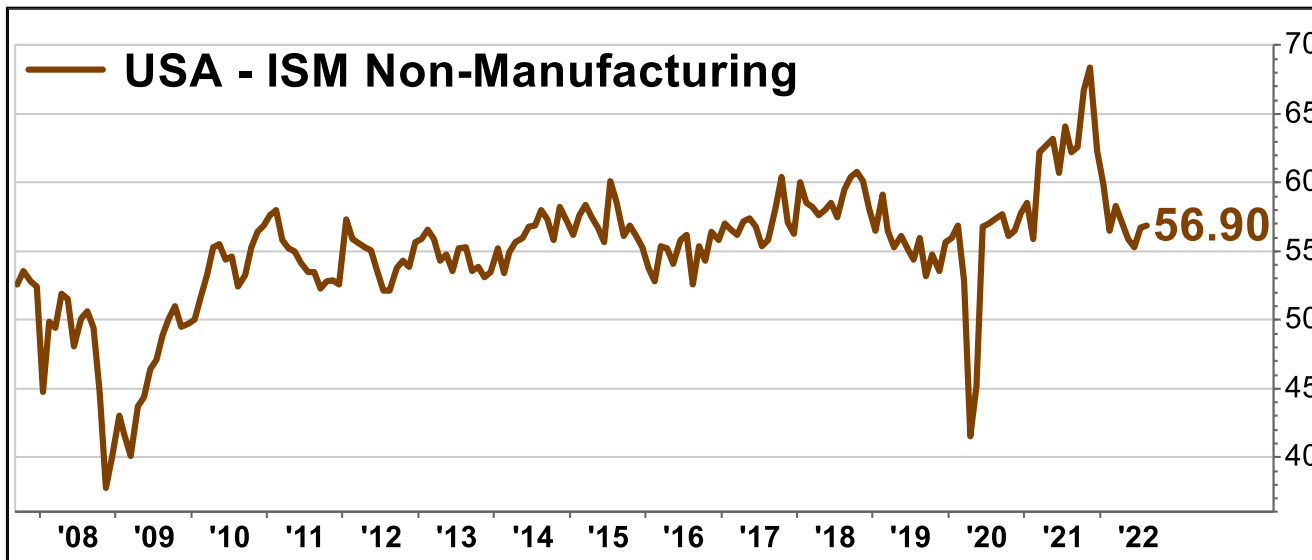
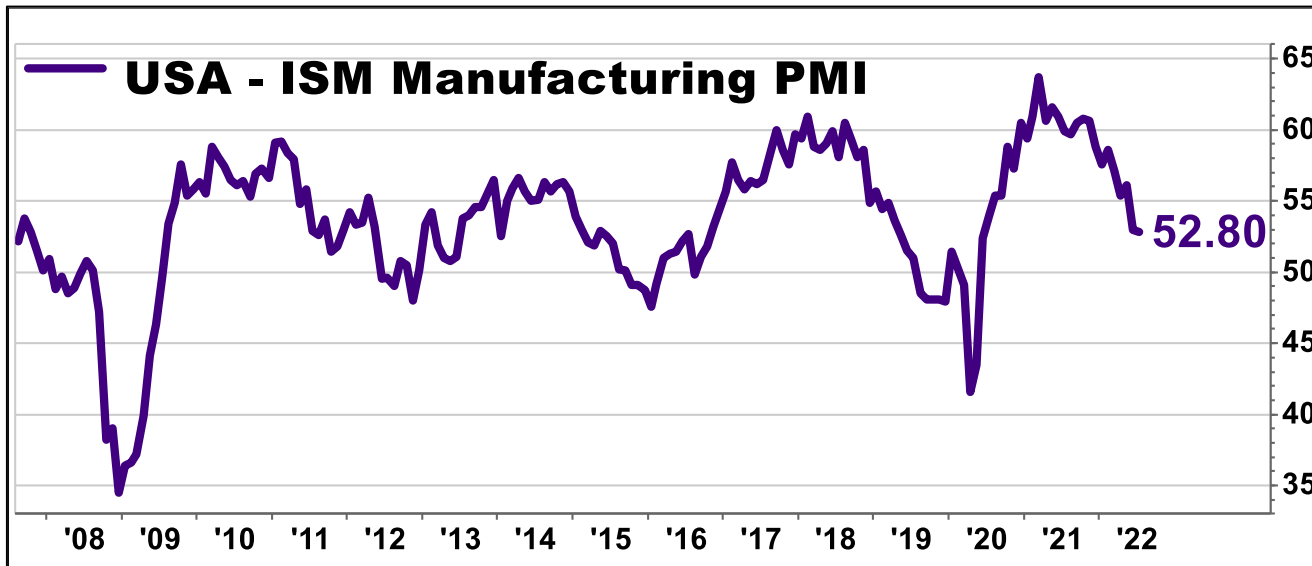


# US Economy – Housing Market



- 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 showed strong readings in August.

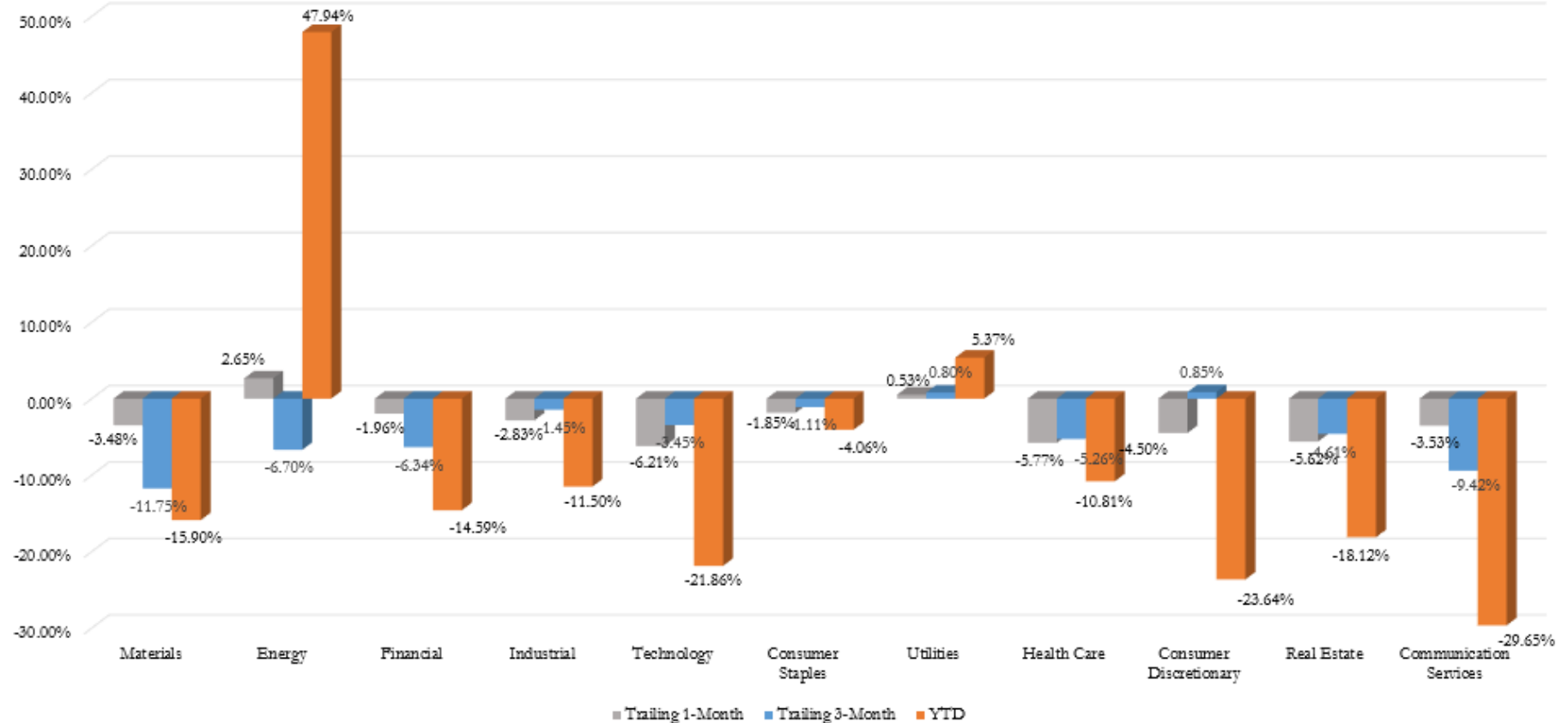
# Asset Class Performance

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%	-16.18%	-3.89%	-4.08%
US Small Cap	IWM	14.59%	-11.11%	25.39%	20.03%	14.54%	-17.13%	-0.71%	-2.00%
Large Cap Value	IVE	15.25%	-9.19%	31.63%	1.21%	24.72%	-8.93%	-5.60%	-2.85%
Large Cap Growth	IVW	27.22%	-0.19%	30.77%	33.19%	31.80%	-22.79%	-2.13%	-5.41%
Mid Cap Value	IWS	13.15%	-12.41%	26.74%	4.80%	28.10%	-12.00%	-6.37%	-3.13%
Mid Cap Growth	IWP	24.94%	-4.87%	35.04%	35.24%	12.60%	-25.19%	0.41%	-3.28%
Small Cap Value	IWN	7.69%	-12.99%	22.01%	4.66%	27.96%	-12.25%	-4.25%	-3.06%
Small Cap Growth	IWO	22.25%	-9.42%	28.48%	34.68%	2.54%	-22.17%	3.36%	-0.86%
International Equity	EFA	25.10%	-13.81%	22.03%	7.59%	11.46%	-19.81%	-9.88%	-6.12%
Emerging Markets Equity	VWO	31.48%	-14.77%	20.76%	15.19%	1.30%	-15.99%	-5.06%	-0.46%
US REITs	VNQ	4.91%	-6.02%	28.87%	-4.68%	40.52%	-18.88%	-5.53%	-6.01%
Infrastructure MLP	AML	-7.92%	-12.62%	5.98%	-32.19%	39.03%	27.94%	-0.04%	3.72%
Gold	GLD	12.81%	-1.94%	17.86%	24.81%	-4.15%	-6.84%	-6.94%	-2.94%
Commodity	DJP	0.74%	-13.07%	7.63%	-4.12%	31.05%	25.99%	-8.36%	-0.17%
High Yield Bond	JNK	6.48%	-3.27%	14.88%	4.95%	3.99%	-12.83%	-5.52%	-4.22%
Broad Bond	AGG	3.55%	0.10%	8.46%	7.48%	-1.77%	-10.68%	-2.13%	-3.04%
TIPs	TIP	2.92%	-1.42%	8.35%	10.84%	5.67%	-7.69%	-1.68%	-2.70%
Treasuries	IEF	2.55%	0.99%	8.03%	10.01%	-3.33%	-11.46%	-1.86%	-3.85%
Long Term Treasuries	TLT	9.18%	-1.61%	14.12%	18.15%	-4.60%	-23.63%	-3.48%	-4.56%
Short Term Treasuries	SHV	0.67%	1.72%	2.36%	0.81%	-0.10%	0.02%	0.14%	0.13%

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

- Stocks and bonds were both down in August.

# US Sector Performance

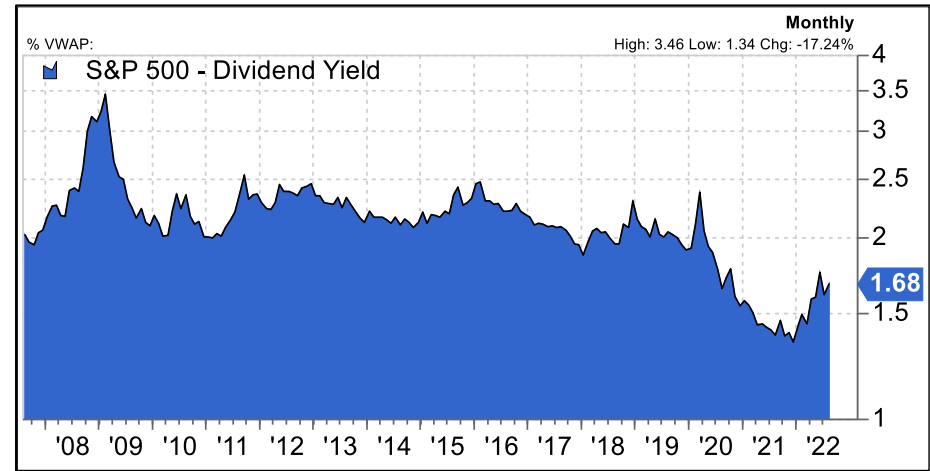
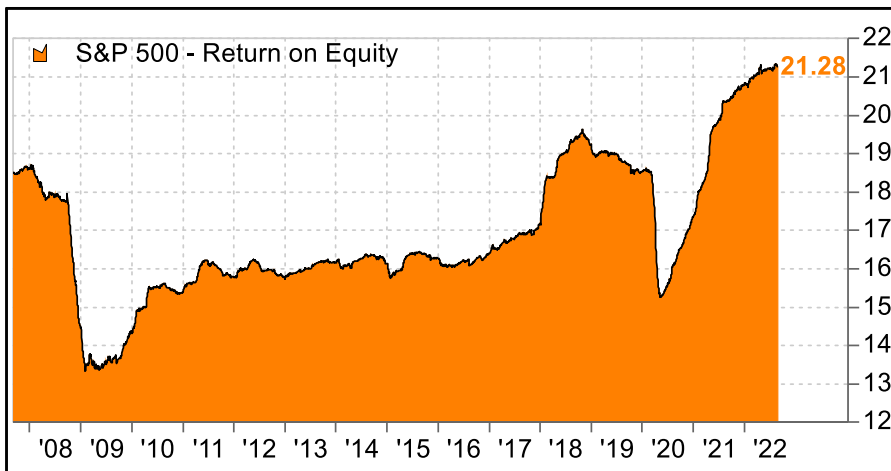
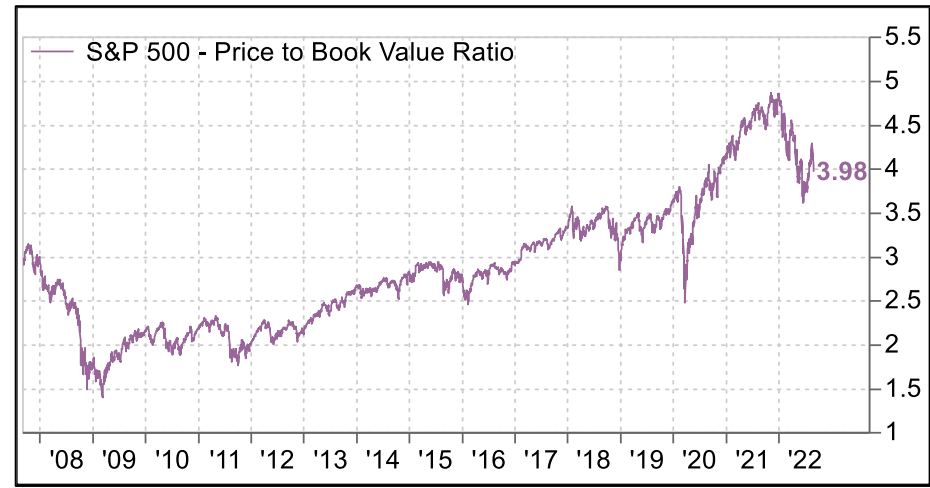
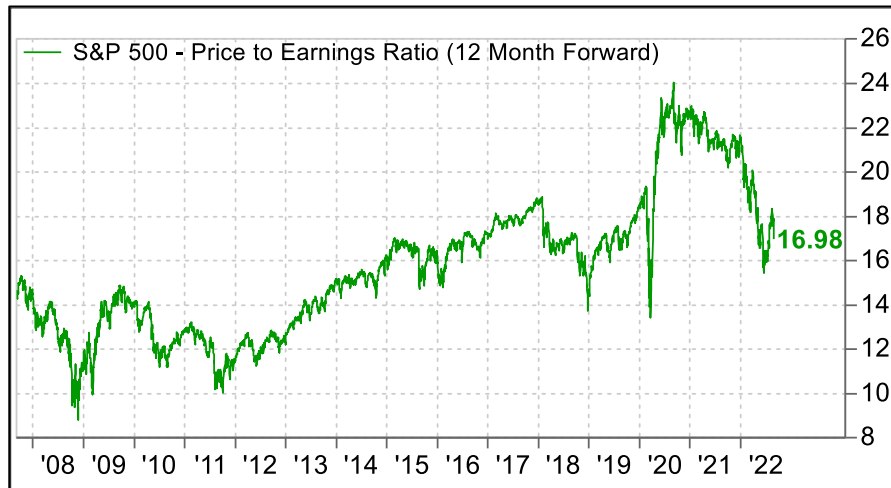


Note: As of August 31<sup>st</sup>, 2022.

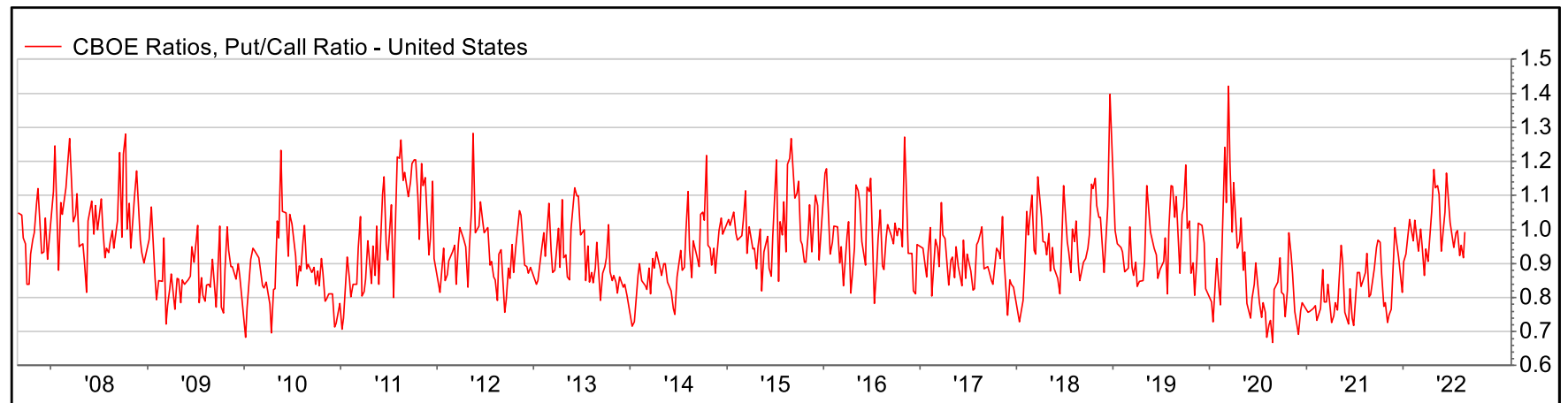
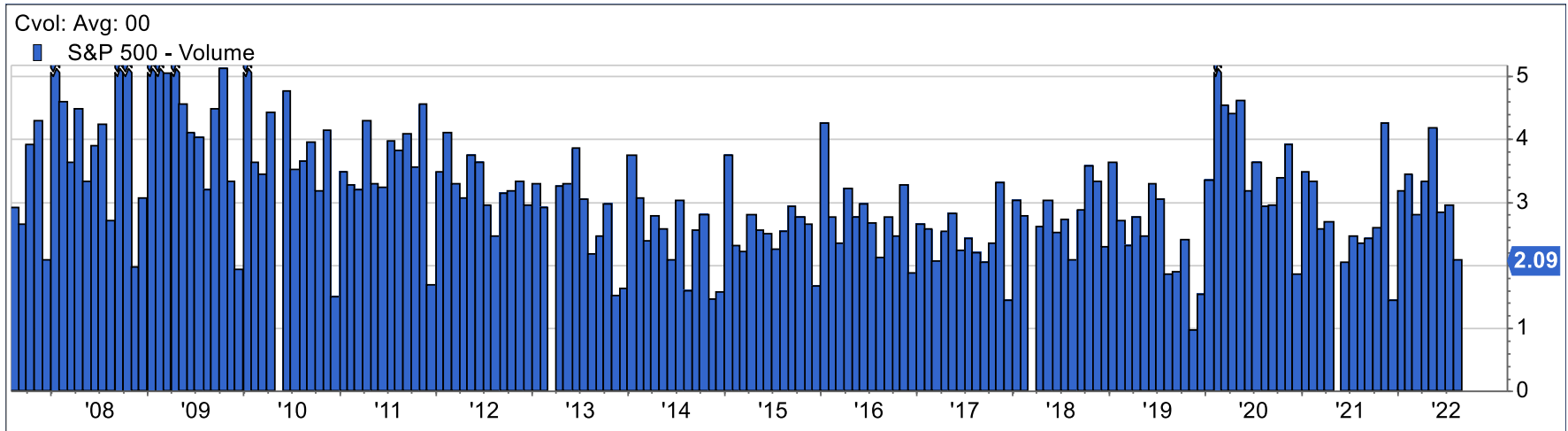
- Every sector but energy was negative in August.
- Utilities and Energy companies are the only positive performers on the year.



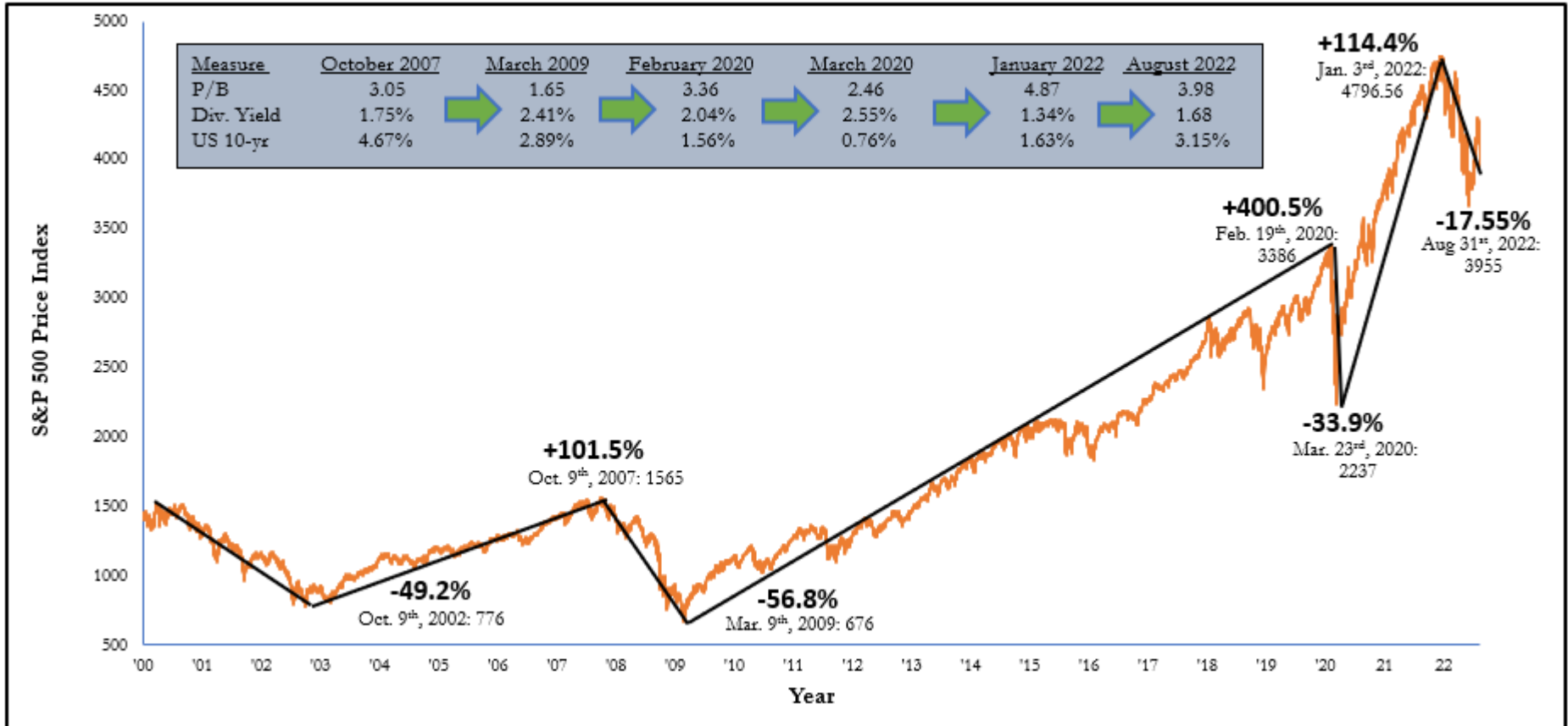
# US Equity Market Fundamentals



- Valuations became slightly less attractive in August.



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



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

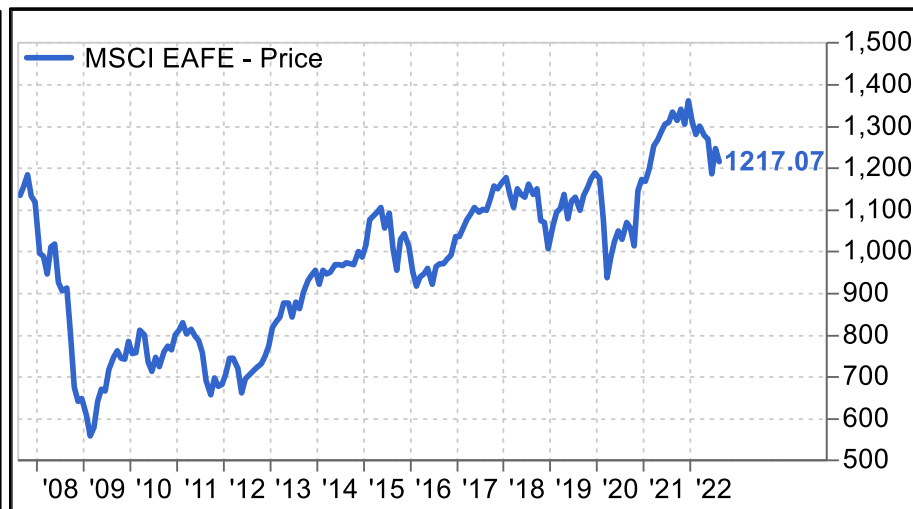
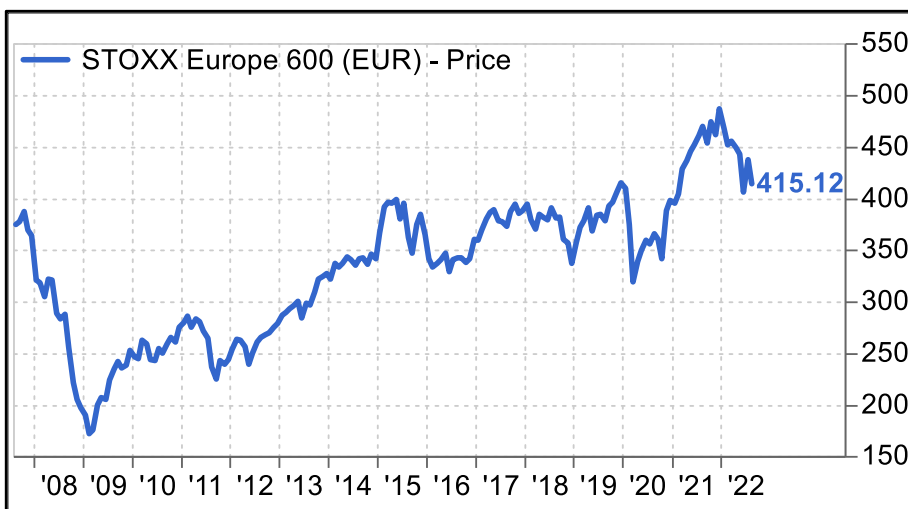
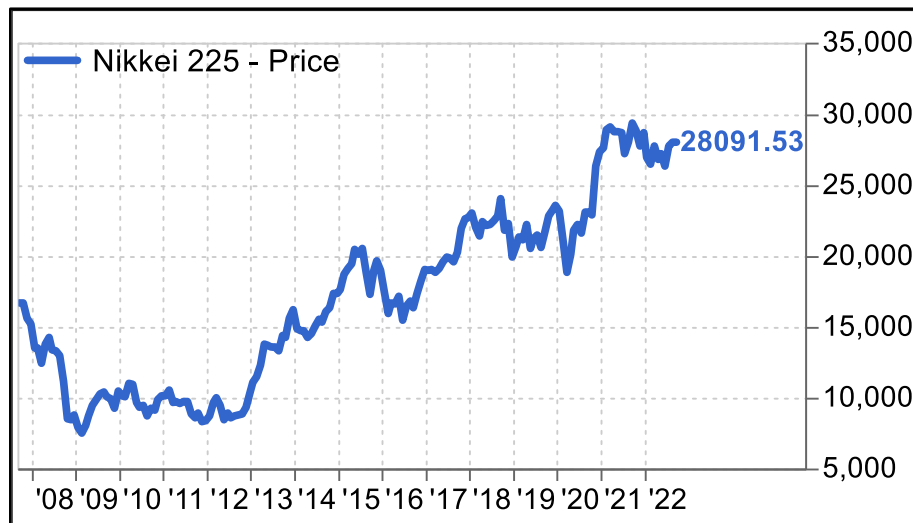
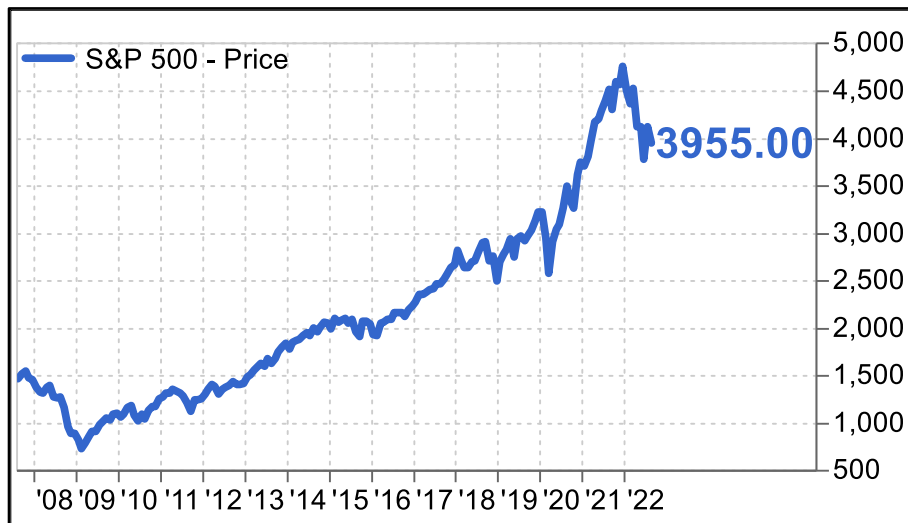
Data Source: FactSet, Yahoo Finance, and [www.treasury.gov](http://www.treasury.gov)

# Global Equity Performance - Country Comparison

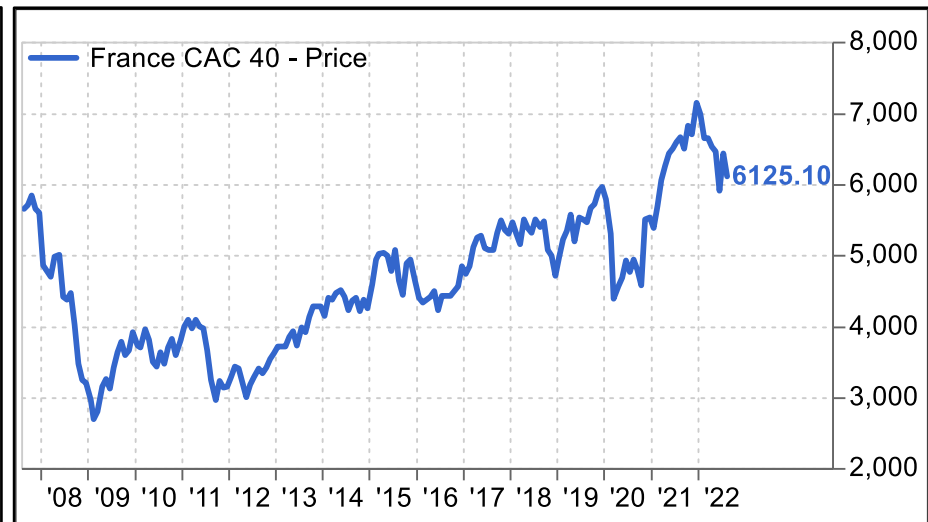
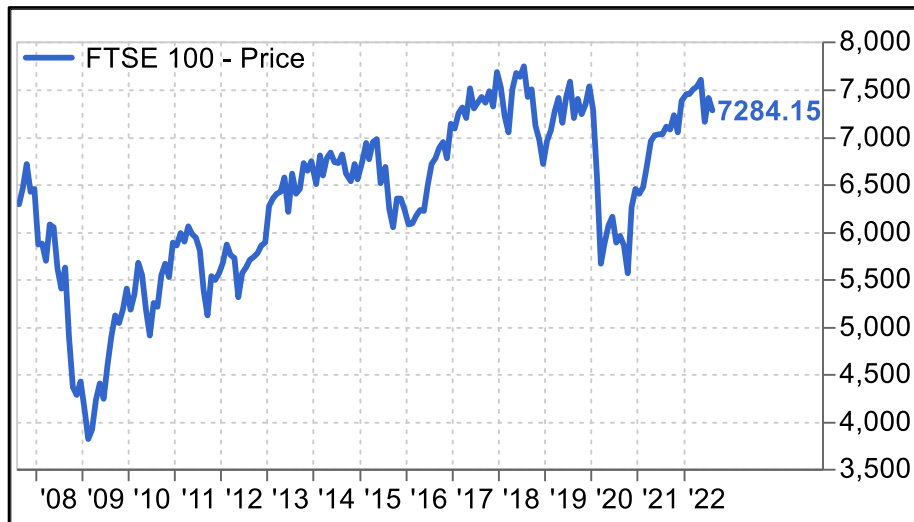
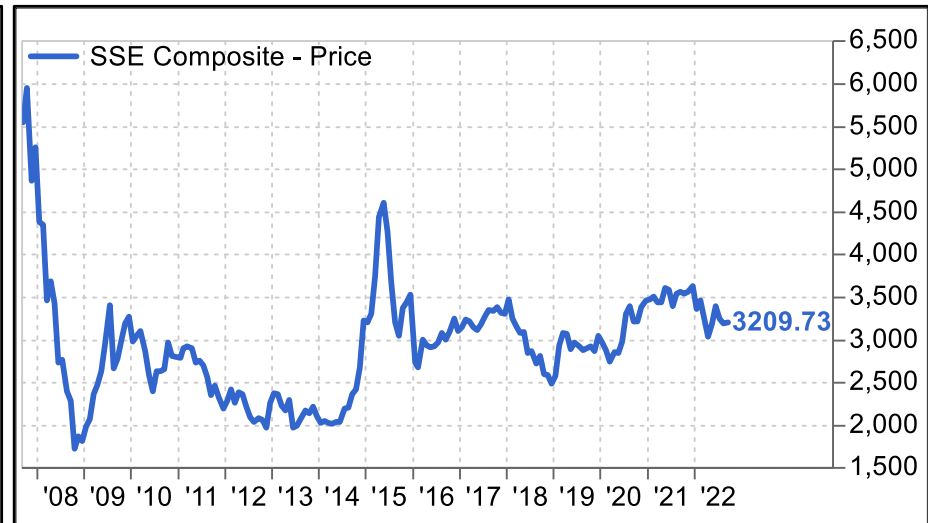
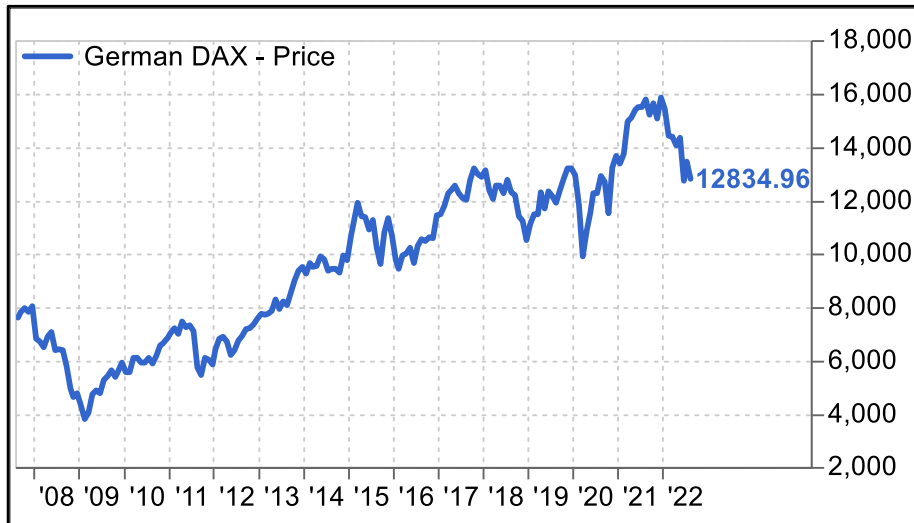
2017	2018	2019	2020	2021	YTD	Trailing 3-month	Trailing 1-month
China 54.68%	Brazil -2.56%	United States 31.22%	China 27.78%	United States 28.75%	Brazil 13.91%	India 2.91%	Brazil 5.17%
India 36.15%	India -4.29%	Brazil 27.65%	United States 18.37%	Canada 27%	India -6.36%	China -3.49%	India 0.18%
France 29.13%	United States -4.56%	Canada 27.56%	Japan 15.41%	France 21.47%	England -11.16%	United States -11.89%	China 0%
Italy 28.73%	France -12.88%	Italy 26.97%	Germany 10.56%	India 19.55%	Canada -11.68%	Japan -6.05%	United States -4.08%
Germany 27.45%	Japan -14.09%	France 26.67%	India 10.01%	England 18.22%	Spain -15.89%	Brazil -9.3%	Japan -4.56%
Spain 26.99%	England -14.28%	China 23.7%	Canada 5.52%	Italy 14.41%	United States -16.18%	Canada -10.28%	Canada -4.59%
Japan 24.27%	Spain -15.32%	England 21.25%	France 2.85%	Germany 5.84%	Japan -19.18%	France -11.04%	Spain -5.1%
Brazil 23.36%	Canada -17.16%	Japan 19.33%	Italy 1.67%	Japan 1.17%	China -20.37%	England -11.24%	Italy -6.09%
United States 21.70%	Italy -17.19%	Germany 19.15%	Spain -3.96%	Spain 0.27%	France -21.52%	Spain -15.83%	England -6.47%
England 21.59%	China -19.77%	Spain 11.91%	England -11.8%	Brazil -17.28%	Italy -27.31%	Italy -17.27%	France -7.29%
Canada 15.74%	Germany -21.37%	India 9.99%	Brazil -20.33%	China -21.73%	Germany -31.31%	Germany -17.62%	Germany -7.38%
Emerging Markets 37.40%	Developed Markets -13.81%	Developed Markets 22.03%	Emerging Markets 17.88%	Developed Markets 11.46%	Emerging Markets -18.09%	Emerging Markets -6.73%	Emerging Markets -1.22%
Developed Markets 25.10%	Emerging Markets -14.93%	Emerging Markets 17.79%	Developed Markets 7.59%	Emerging Markets -0.61%	Developed Markets -19.81%	Developed Markets -9.88%	Developed Markets -6.12%

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

# Global Equity- Major Indices

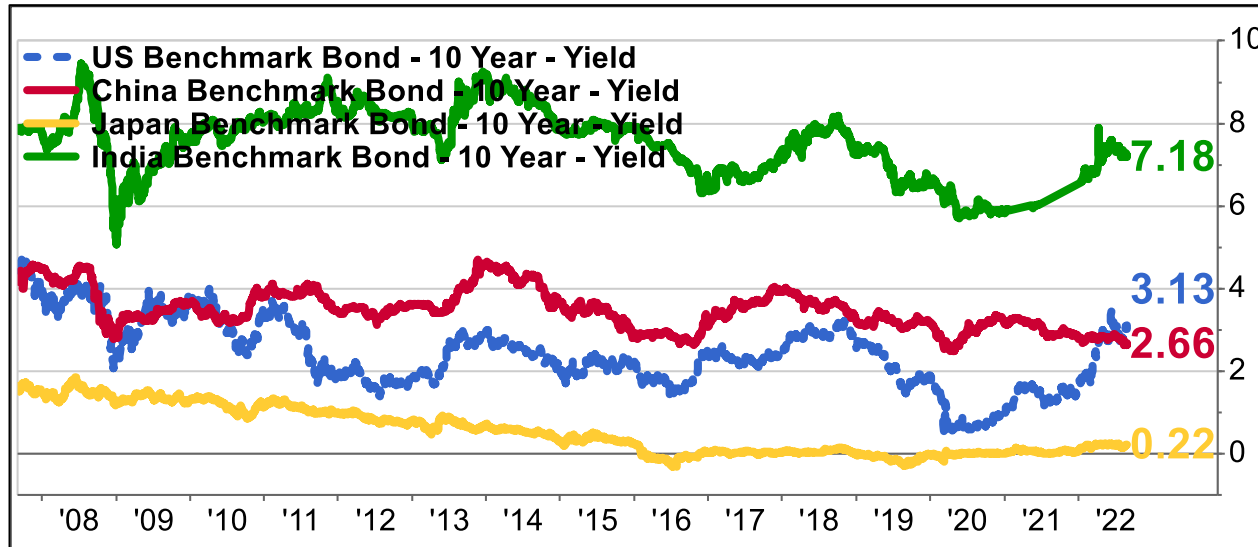


# Global Equity- Major Indices

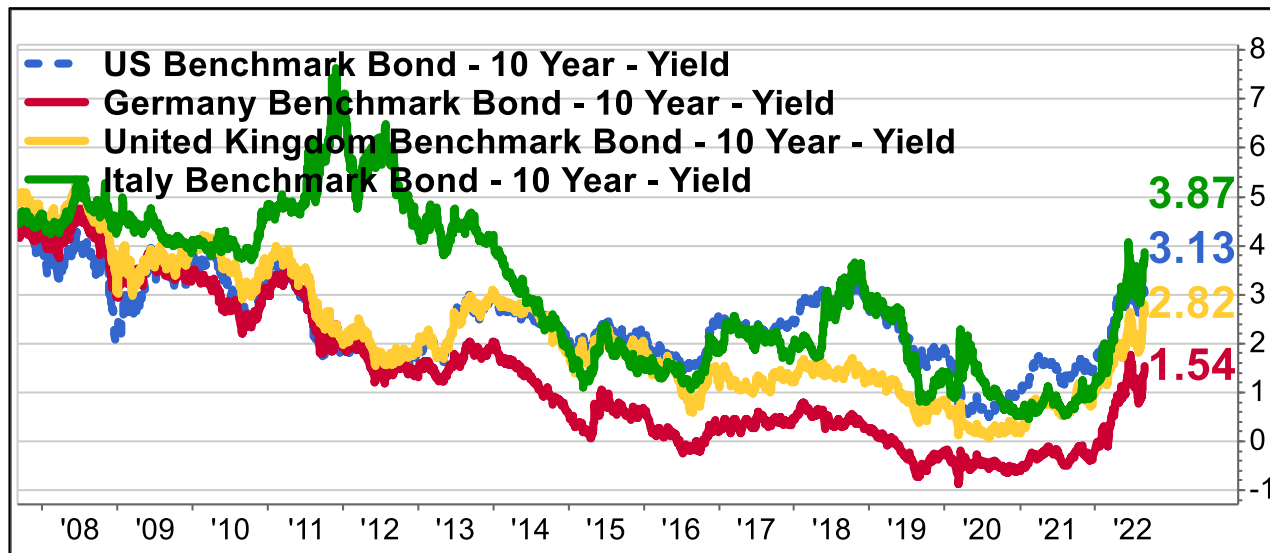




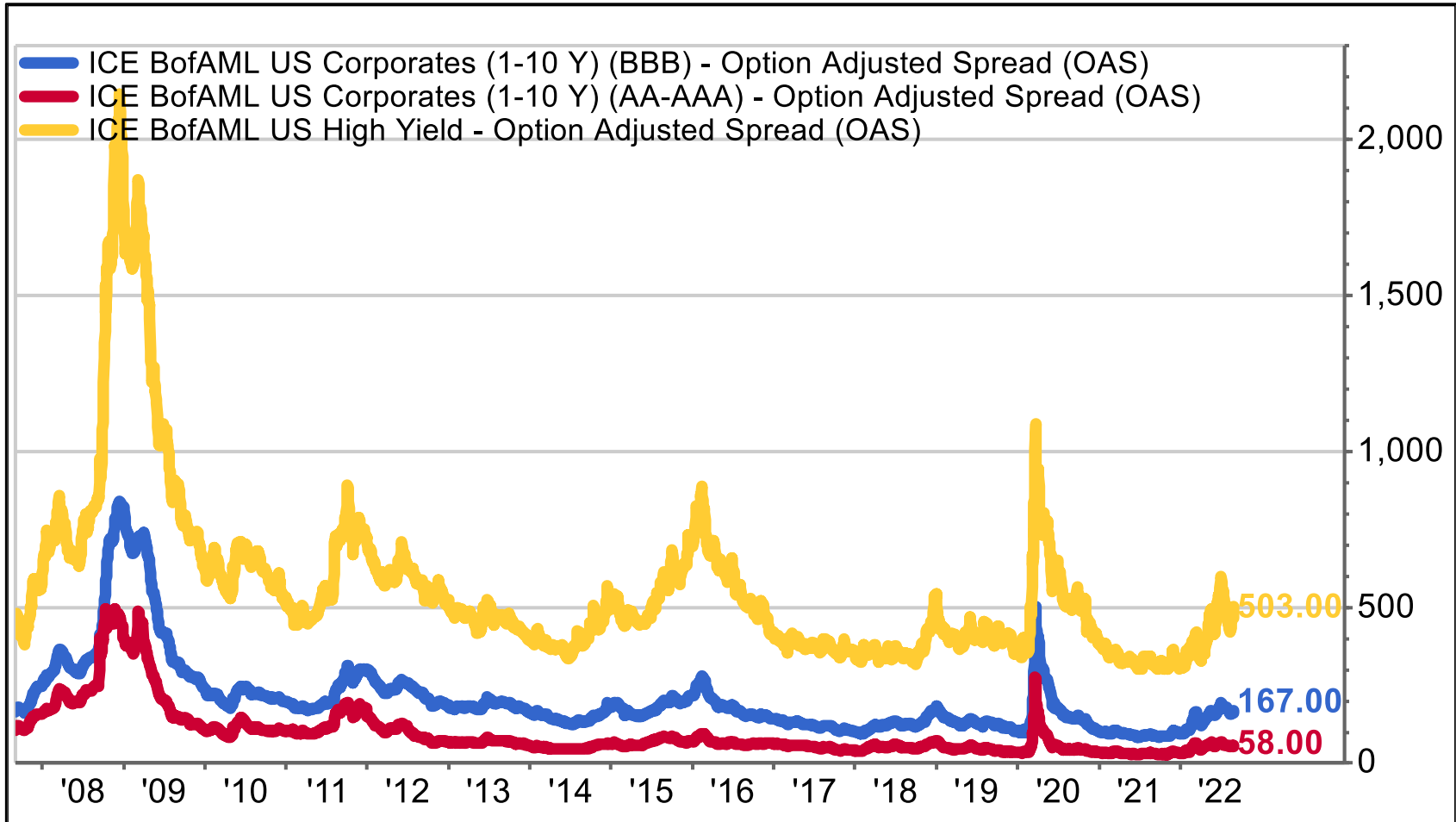
# Global Fixed Income- Government Yields



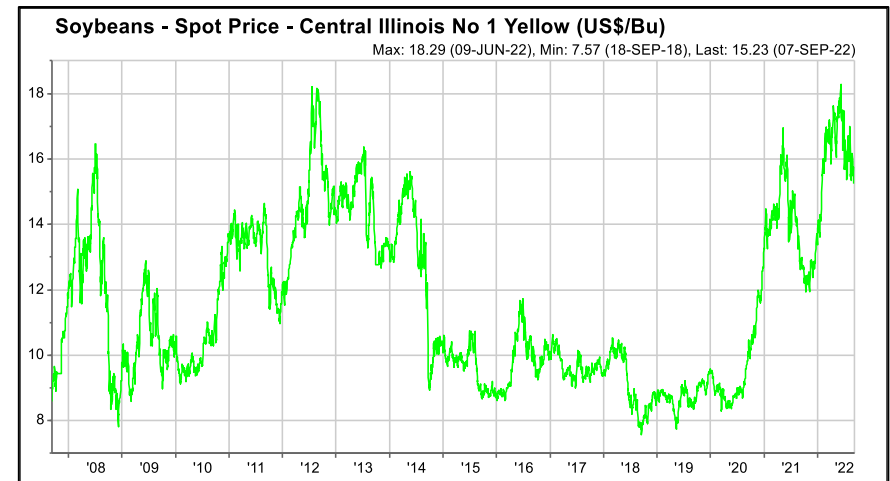
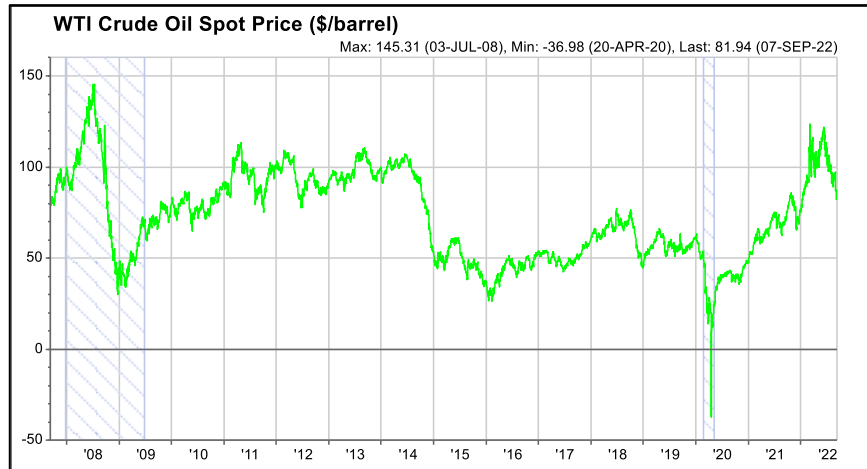
- Yields on sovereign debt increased in August.



# Credit Market - Corporate Spreads



- Spreads increased in August.

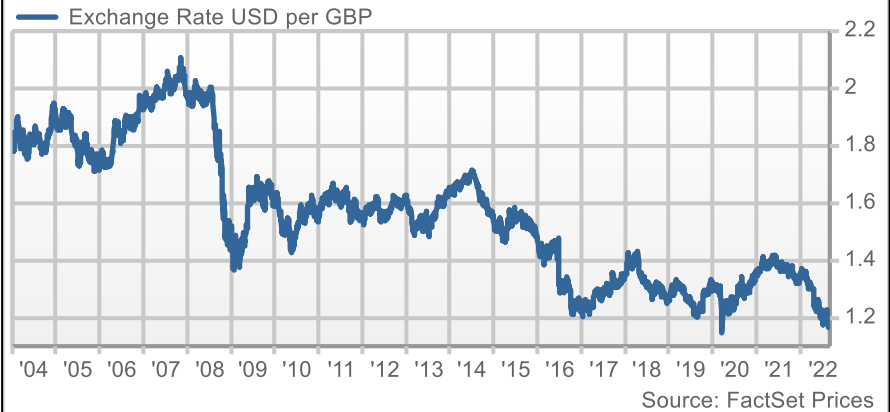


- As of 8/31/2022, WTI Crude: \$90.09/Barrel; Gold: \$1715.90 Troy Oz; Copper: \$7721.50/MT; Soybean: \$15.78/Bu.

**U.S. Dollar per Euro**



**U.S. Dollar per British Pounds**



**Japanese Yen per U.S. Dollar**



**China Renminbi per U.S. Dollar**



- As of 8/31/2022, FX rates are: 0.99 USD/EUR, 1.16 USD/GBP, 138.94 JPY/USD, 6.90 CNY/USD.

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