

July Market Review

Markets continued their strong 2023 momentum as June's headline CPI decline combined with strong economic and labor market data convinced market participants that an economic soft landing is more likely than the inevitability of recession that dominated headlines in 2022.

Equity market gains in July continued their broader representation across stocks and sectors rather than the concentrated mega cap technology gains of the first 5 months. Value stocks and Industrials performed well while Emerging Markets led performance for the month. The S&P 500 climbed within 5% of its all-time high towards the end of July as analysts raised the year-end 2023 S&P 500 price targets to keep up with the market surge.

Index	Month	YTD
US Large Cap (S&P 500)	3.2%	20.6%
US Small Cap (Russell 2000)	6.1%	14.7%
Non-US Stock (MSCI EAFE Net)	3.2%	15.3%
Emerging Markets (MSCI Emg. Markets Net)	6.1%	11.4%
MSCI All Country World Index	3%	13.8%

Interest rates were modestly higher in July despite weak inflation data as markets digested strong jobs data and an increase in supply as the Treasury replenishes their coffers after the Debt Ceiling showdown. The 10-year US Treasury yield rose from 3.81% at the end of June to 3.96%. The Treasury curve remains deeply inverted given the market's concerns the Fed may have gone too far with rate hikes or the ability of the US economy to withstand higher rate impact.

Index	Month	YTD
High Grade Taxable Bond (Bloomberg US Aggregate)	-0.1%	2.0%
Municipal Bonds (Bloomberg 1-10 Year Muni. Bond)	0.3%	1.8%
Investment Grade Bonds (Bloomberg Corporate Inv. Grade)	0.3%	3.6%
High Yield Bonds (Bloomberg Corporate High Yield)	1.4%	6.8%

Commodities shot higher by 6.3% for the month as oil and gas supported broader markets. Crude oil was up over 15% in July as it bounced off its approximate low point for 2023 of \$68-70 barrel to above \$80. Wheat futures gained 5% in July as Russia once again pulled out of the grain deal effectively putting a significant amount of global production in question.

Index	Month	YTD
Commodities (Bloomberg Commodity Index)	6.3%	-6%

All Year-to-Date numbers are as of July 31, 2023. Indices mentioned are unmanaged and cannot be invested into directly. Research data provided by Summit Trail Advisors, LLC.

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