

Performance Through Last Week End

Best ↑ ↓ Worst	Bloomberg Commodity TR USD 4.6	Bloomberg Commodity TR USD 23.5	Bloomberg Commodity TR USD 25.6
	S&P 500 TR USD 4.3	ICE BofA 1-3 M US Trsy TR USD 0.3	ICE BofA 1-3 M US Trsy TR USD 0.3
	S&P Global Property TR USD 3.8	Wilshire Liquid Alternative TR USD -4.1	Wilshire Liquid Alternative TR USD -4.1
	MSCI ACWI Ex USA GR USD 1.8	FTSE WGBI NonUSD Hdg USD -6.4	S&P 500 TR USD -5.1
	FTSE WGBI NonUSD Hdg USD 1.4	BBgBarc US Agg Bond TR USD -8.2	FTSE WGBI NonUSD Hdg USD -8.0
	Wilshire Liquid Alternative TR USD 0.8	S&P 500 TR USD -12.6	BBgBarc US Agg Bond TR USD -9.0
	BBgBarc US Agg Bond TR USD 0.6	S&P Global Property TR USD -13.9	S&P Global Property TR USD -9.6
	ICE BofA 1-3 M US Trsy TR USD 0.0	MSCI ACWI Ex USA GR USD -15.3	MSCI ACWI Ex USA GR USD -15.7
	Last Week	Year-To-Date	1 Year

This may come as a shock, but all the primary indices followed in this update rose in unison for the second straight week! Sweet, the sky is not falling! So, given the last two weeks of July were in the black, this helped tremendously as the major domestic stock indices turned in their best month since 2020. For example, the S&P 500 index increased by 9.1%. Even the maligned Nasdaq composite did well, climbing 12%.

Looking at other asset classes, we see that for the week global property shares and foreign stocks were up 3.8% and 1.8%, respectively, while domestic bonds managed to eek out a small gain as well. But keep in mind the 10-year Treasury is yielding just 2.6% while the 2-year is at 2.9%. The longer the curve is inverted, the higher the probability for a recession.

Speaking of which, the preliminary estimate of 2nd quarter GDP was released last week and, sure enough, it showed a -0.9% loss for the prior three months. Given this is the second quarter straight with a negative reading, history tells us we are already in a recession. By the way, the two quarters in a row recession indicator has been correct in 10 of the last 10 recessions. Ugh.

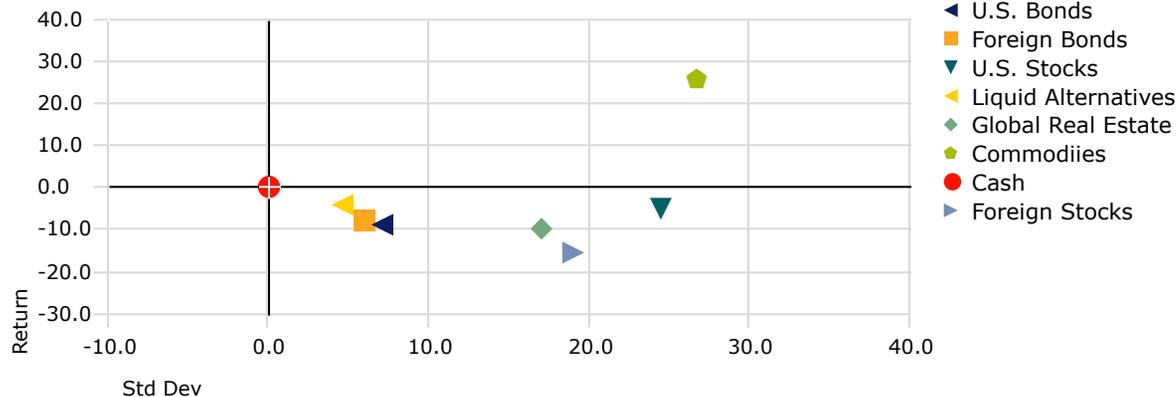
Lastly, as expected, the FOMC raised baseline rates by another 75 bps. On that note, welcome to August and make it two cups of a strong brew this morning. I think we all may need it.

Economic Data	Current	Previous
GDP (QoQ) - Q2	-0.9%	-1.6%
Unemployment Rate - Jun	3.6%	3.6%
Consumer Confidence - Jul	95.7	98.4
CPI (YoY) - Jun	9.1%	8.6%
Core Retail Sales (MoM) - Jun	1.0%	0.6%

Economic Calendar for the Week

Monday	ISM Manufacturing PMI (Jul)
Tuesday	JOLTs Job Openings (Jun)
Wednesday	ISM Non-Manufacturing PMI (Jul) Crude Oil Inventories
Thursday	Initial Jobless Claims
Friday	Nonfarm Payrolls (Jul) Unemployment Rate (Jul)

1 Year Risk-Reward



Bloomberg Barclays US Aggregate Bond TR USD

The index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Bloomberg flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

FTSE WGBI Non-USD Hedged USD

The index measures the performance of fixed-rate, local currency, investment-grade sovereign bonds of all WGBI countries except the United States and is stated in US dollar terms. It is a subset of Citigroup World Government Bond Index (WGBI).

S&P 500 TR USD

The index measures the performance of 500 widely held stocks in US equity market. Standard and Poor's chooses member companies for the index based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid 1989, this composition has been more flexible and the number of issues in each sector has varied. It is market capitalization-weighted.

MSCI ACWI Ex USA GR USD

The index measures the performance of the large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

Wilshire Liquid Alternative TR USD

Wilshire Liquid Alternative Index aims to deliver a precise, broad market measure for the performance of diversified liquid alternative investment strategies that are implemented in mutual fund structures.

Bloomberg Commodity TR USD

The index measures the performance of future contracts on physical commodities which traded on US exchanges and London Metal Exchange. The commodity weightings are based on production and liquidity, subject to weighting restrictions applied annually.

S&P Global Property TR USD

The index defines and measures the investable universe of publicly traded property companies. The index is ideal for a range of investing activities, including benchmarking active funds and setting the foundation for passive funds. The S&P Global Property divides into two sub-indices: S&P Developed Property and S&P Emerging Property.

ICE BofA 1-3 Month US Treasury TR USD

Is an unmanaged index tracking 1-3 month U.S. government securities. The index is produced by Merrill Lynch, Pierce, Fenner & Smith, Inc.

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