

## Q3 2022 Insights

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# Q3 2022 Insights

- Historical Context of Market Volatility
- Stock Valuations and Earnings
- Global Economic Landscape
- The Federal Reserve, Inflation and Jobs
- The Yield Curve
- Leading Economic Index
- *invest right, live right™*



# Historical Context of Market Volatility



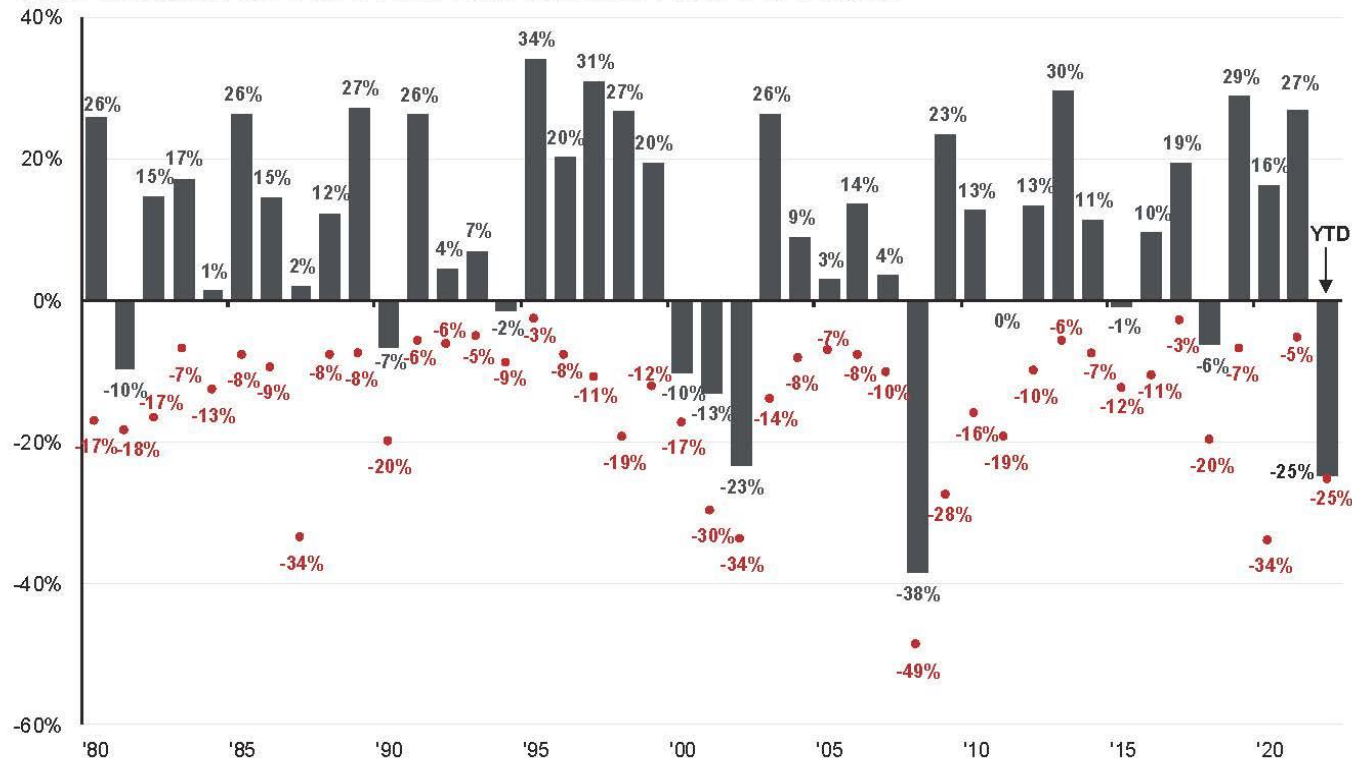
## Annual returns and intra-year declines

GTM U.S. 15

Equities

### S&P intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.0%, annual returns were positive in 32 of 42 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2021, over which time period the average annual return was 9.4%.

Guide to the Markets – U.S. Data are as of September 30, 2022.



# Stock Valuations and Earnings

- Estimated record earnings for 2023 and 2024
- High-flying Technology stocks stumbling
- S&P performance marred by tech
- Stick with quality stocks



# Global Economic Landscape

- Shut-downs forced shift from services to goods, and re-opening reversed that trend
- U.S. and Developed Markets could slow if inflation does not come down
- China and EM weakness – covid policy

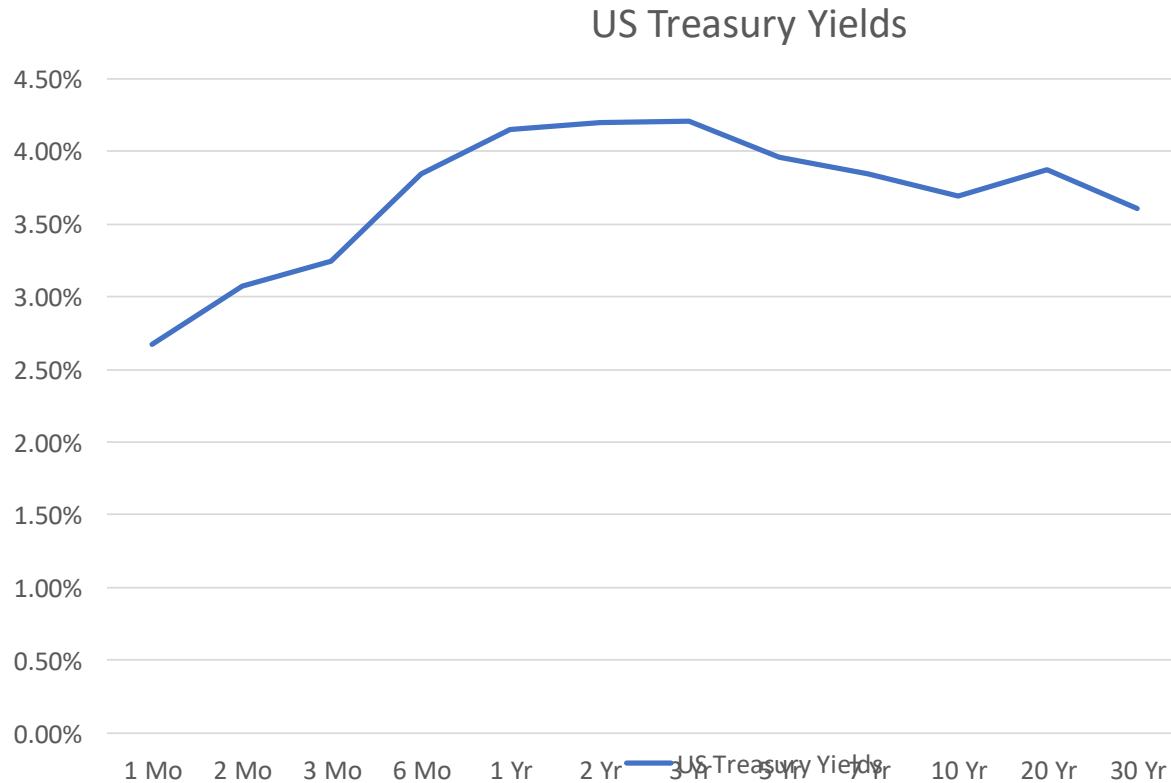


# The Federal Reserve, Inflation and Jobs

- Fed continues to raise short-term rates
- Inflation cooling
- Unemployment remains very low



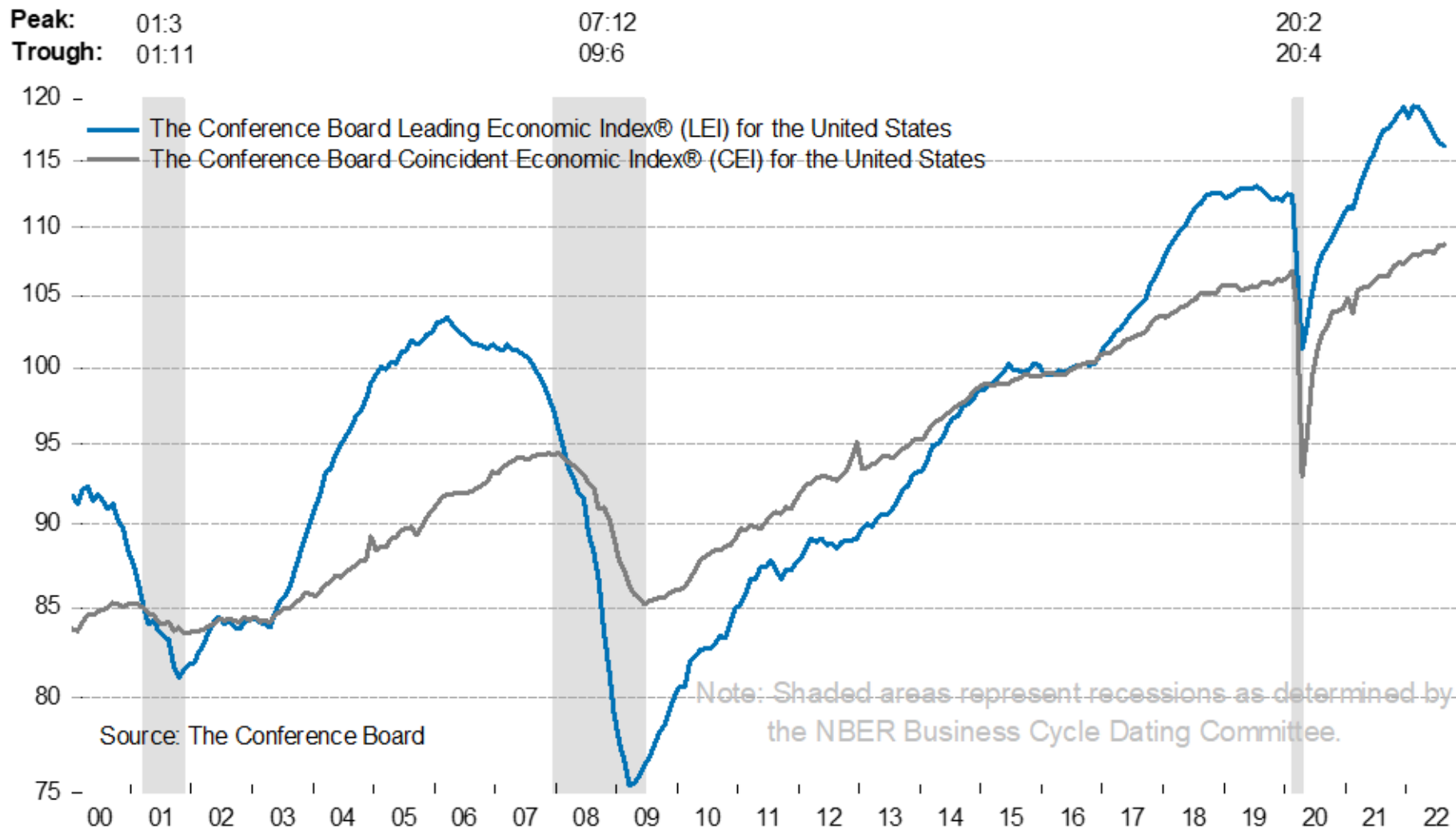
# Yield Curve



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# Leading Economic Indicators



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“A fool is known by his speech; and a wise man by silence.”  
- *Pythagoras*



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