



U.S. ELECTIONS & MARKET MATTERS

The election effect

Will the U.S. midterms be a pivot point for equities? We examine historical performance surrounding such elections, and what that may be signaling for this year and next.

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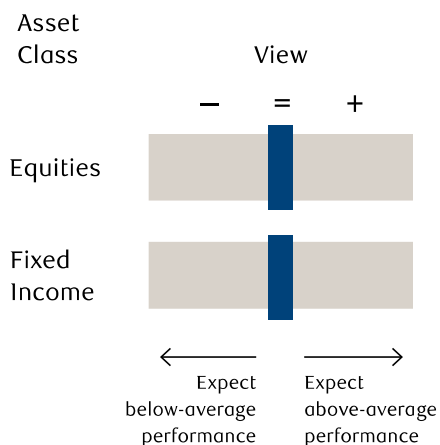
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RBC'S INVESTMENT Stance

Global asset class views



(+/-/-) represents the Global Portfolio Advisory Committee's (GPAC) view over a 12-month investment time horizon.

+ Overweight implies the potential for better-than-average performance for the asset class or for the region relative to other asset classes or regions.

= Market Weight implies the potential for average performance for the asset class or for the region relative to other asset classes or regions.

- Underweight implies the potential for below-average performance for the asset class or for the region relative to other asset classes or regions.

Source - RBC Wealth Management

EQUITIES

- U.S. economic data have been mixed recently, as inflation seems to be peaking, supply chains are improving marginally, and China has softened its zero-COVID policy and increased support for its economy. In our view, however, significant continued improvement in all these areas would be required to meaningfully reduce recession risks. For now, despite the improvements, they remain uncomfortably high.
- We expect market volatility heading into the fall as investors continue to debate the Fed's ability to reduce inflation without stifling the economy. The U.S. midterm elections will also likely become an important focus for investors. For now, we maintain a Market Weight (neutral) stance on global equities, a recommendation designed to balance the risk that a U.S. recession is approaching against the possibility that declining inflation could spur the Fed to abandon its interest rate hiking cycle next year. Given the increasing challenges faced by the UK and Europe, we think it is prudent to move these regions to Underweight. With its central bank on hold, we move Japan to Overweight.

FIXED INCOME

- Government bond yields are moving higher following the summer downdraft, but the bulk of the action remains at the front end of Treasury yield curves as markets foresee a return of a hawkish Fed as policymakers are likely to keep up an aggressive pace of rate hikes. As a result, the 2-year Treasury yield has hit a fresh multiyear high of 3.50%, eclipsing the 3.43% high from June. But where the 2-year yield has broken out, the 10-year Treasury yield has held below the June high of 3.47%, and is currently around 3.20%. We maintain our view that the 10-year will fall short of that June high, and decline from current levels over the course of the next year. The net result is that yield curves remain deeply inverted as markets price further Fed rate hikes, lower long-term inflation, and heightened 12-month recession risks. While there is scope for the Fed to begin the process of slowing the pace of rate hikes based on the incoming data, energy prices and ever-higher inflation will likely keep the Bank of England and the European Central Bank on offense, as their pace of rate hikes could accelerate in the months ahead.
- As Treasury yields broke notably north of 3.00%, we upgraded our outlook for U.S. fixed income to Neutral from Underweight. We also upgraded our outlook for bank-issued preferred shares due to the attractive yields and defensive nature of bank balance sheets. We continue to focus on improving the credit quality in portfolios, as we believe credit valuations are too rich relative to growing recession risks.
- We maintain our Market Weight in global fixed income, with a Market Weight allocation to corporate credit via investment-grade corporate bonds and bank-issued preferred shares, with Underweights to high-yield corporates and international bonds. In Europe and the UK, we maintain a negative outlook for government bonds, and remain shorter on the curve, as more aggressive rate hikes and inflation that has yet to find a peak could keep yields on the ascent.

U.S. ELECTIONS & Market Matters



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The election effect

As we head into the heart of yet another hotly contested U.S. election season, it makes sense for investors to wonder if the outcome of November's midterms will prove to be a pivot point for the stock market. We examine historical equity market performance surrounding such elections, and what that might be—or might not be—signaling for this year and next.

Key points

- **U.S. equity returns in previous midterm election years were the most muted. However, gains in the following year were the most robust.**
- **An important nuance is often overlooked: There was typically a strong rally from the low point reached in the midterm election year through the peak reached the following year.**
- **Did U.S. stocks perform better when a particular party controlled Washington? The short answer: The market often welcomed gridlock, but not always.**
- **Historical return data are useful to consider, but the reality is that election results are not the only or even the main driver of equity prices. The Fed, the economy, and corporate trends matter more.**

This article is the first in this year's "U.S. elections & market matters" series, in which RBC Wealth Management will examine the market- and economic-related crosscurrents associated with the 2022 U.S. midterm elections. In this installment, we focus on historical equity market performance surrounding such elections, and what that might be—or might not be—signaling for this year and next.

If the last U.S. midterm election cycle in 2018, which took place in the middle of the Trump administration, was the most anticipated in a generation, the tension surrounding the 2022 midterms on November 8 has the potential to surpass that.

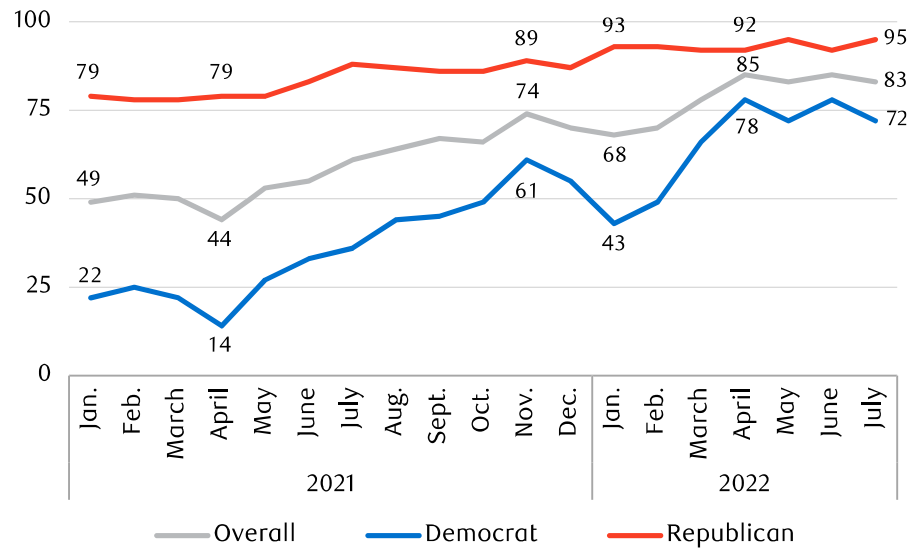
The country is even more politically and ideologically polarized now compared to then, particularly following the 2016 and 2020 presidential elections, January 6 uprising at the Capitol, landmark Supreme Court decisions, increases in crime, disagreements about social values, and the population's diminished trust in American institutions. And let's not forget or minimize discontent about inflation and the economy overall.

All of this has resulted in pessimistic attitudes about the direction of the country. While there is a partisan split, even attitudes among Democratic voters have become much gloomier. The proportion of Democrats who say the country is moving in the wrong direction surged from only 22 percent in January 2021 to 72 percent in July 2022, according to an AP-NORC poll. Among all voters, the percentage has increased from 49 percent to 83 percent during the same period.

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Americans affiliated with both major political parties are negative about the direction of the country

Percentage who say things are headed in the wrong direction



Question: Generally speaking, would you say things in this country are headed in the ...?

Source - Associated Press-NORC polls, latest conducted July 14–17, 2022 with 1,085 adults nationwide

Four-year performance pattern

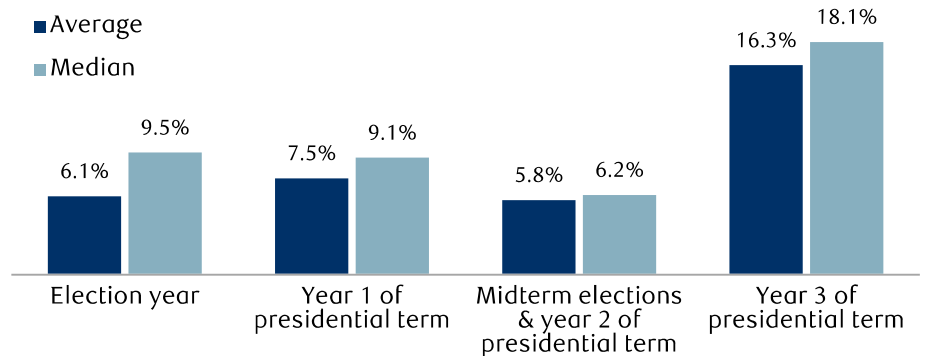
For starters, it’s important to consider that the stock market has historically traded in a four-year cycle, and these cycles correspond to election years.

Stock market returns in midterm election years tend to be the most muted of the cycle, with the S&P 500 rising 5.8 percent on average in those years since 1932. However, gains in the year following the midterms tend to be the most robust, with the index rising 16.3 percent on average.

As is typical with historical market data, there was much variation in the returns in the year following the midterms. While the average was a 16.3 percent advance, the lowest return was a decline of 5.2 percent and the highest was a gain of 41.4 percent.

Midterm election years tend to be weak, but the following year is typically strong

S&P 500 performance during election cycles since 1932



Source - RBC Capital Markets U.S. Equity Strategy, Bloomberg; based on price returns and does not include dividends

U.S. ELECTIONS & MARKET MATTERS

The market's midterm election idiosyncrasies

Within the four-year cycle there is an important nuance that isn't captured by the annual performance data—one that is associated with midterm elections.

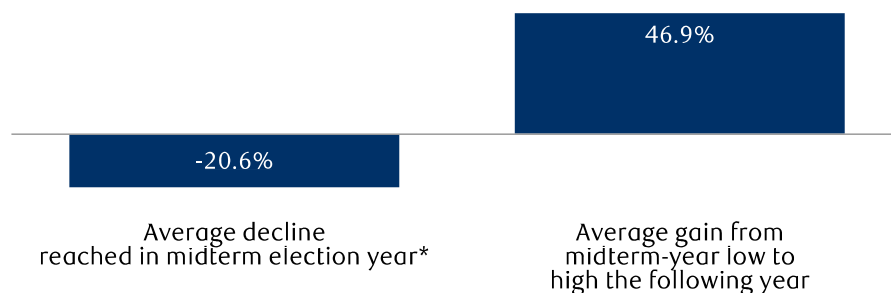
The historical performance in the period before and after the midterm House and Senate elections is among the most pronounced of the seasonal equity market cycles we track. It has persisted regardless of what is or isn't occurring in Washington, and regardless of which party was in power or was gaining or losing momentum.

In the 22 periods we examined stretching back to 1934, the S&P 500 typically pulled back or corrected at some point during the 12-month period *before* the midterm elections. The index declined 20.6 percent, on average. This cycle has been no different, as the S&P 500 corrected 23.6 percent from its January 2022 peak to the June 2022 trough.

Historically, the downside quite often was more than made up for with subsequent rallies. In those 22 instances since 1934, the market was higher at some point in the year *after* the midterm elections by almost 47 percent on average. Interestingly, it usually reached a peak level in the latter half of that year—often in the fourth quarter. The market was able to exceed its previous high on 77 percent of the 22 occasions.

Corrections are common in midterm years, and so are follow-on rallies

S&P 500 returns surrounding midterm elections (1934–2019)



* Measured from the peak within 12 months before the midterm-year low, to that low. In 22 of 23 instances, the low was reached before the midterm election; the exception was in 2018 when it occurred after the election.

Source - RBC Wealth Management, Bloomberg; performance surrounding 22 midterm election years

However, the nearly 47 percent average rally following the midterm-year low doesn't tell the full story. The return data that make up the average were rather wide—from 14.7 percent at the low end to 87.1 percent at the high end.

As of this writing, the S&P 500 is up 6.6 percent from the mid-June low. We think there will be additional gains in between now and the end of 2023. But we doubt the market will go up in a straight line and a super-sized rally is by no means guaranteed given the lingering inflation challenges that have yet to be tamed by the Fed and the broader economic headwinds, including elevated recession risks.

It's notable that during seven previous midterm election periods that were accompanied by inflation challenges, the market reached a new high in the year after the midterm elections less frequently than during non-inflationary periods.

U.S. ELECTIONS & MARKET MATTERS

Gridlock can be good

A question that individual investors often ask is, does the market typically do better when a particular party controls Washington?

The short answer is that often the market has welcomed certain forms of gridlock in Washington—otherwise known as split or divided government between the two major parties—but not always.

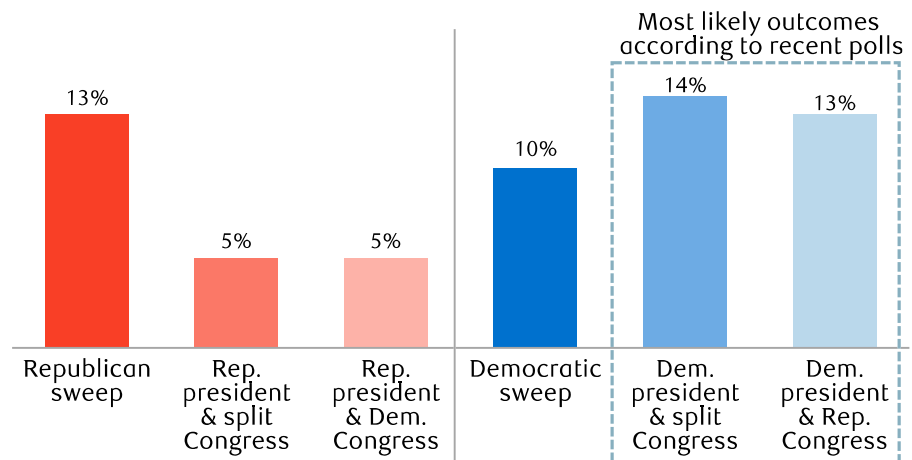
A study by RBC Capital Markets going back to 1932 found that S&P 500 returns have historically been the highest in three cases:

- When Democrats have controlled the presidency and the two parties have split control of the House of Representatives and the Senate (S&P 500 +14 percent, on average);
- When a Democratic president has served alongside a Republican-controlled Congress (+13 percent); or
- When Republicans have controlled the presidency and both chambers of Congress (+13 percent).

Returns have historically been somewhat less robust in the case of Democrats controlling the presidency and both chambers of Congress (+10 percent). By contrast, returns have been much more muted with a Republican president and either a split or Democratic-controlled Congress, as the chart shows.

The U.S. market has performed well during periods of divided government

Average annual S&P 500 returns when different political parties were in control of the federal government since 1932



Note: The 2000 election resulted in a 50/50 tie in the Senate, with a Republican vice president acting as the deciding vote after inauguration. However, midway through 2001, one Republican senator left to become an independent and caucus with the Democrats.

Source - RBC Capital Markets U.S. Equity Strategy, Haver Analytics; based on price returns and does not include dividends

Markets tend to like checks and balances

Given that recent polls have been forecasting a Republican takeover of the House, and Senate control as too close to call, we think it's useful to dig a little deeper into historical market returns when congressional control was split between two parties. This scenario is actually less common than one

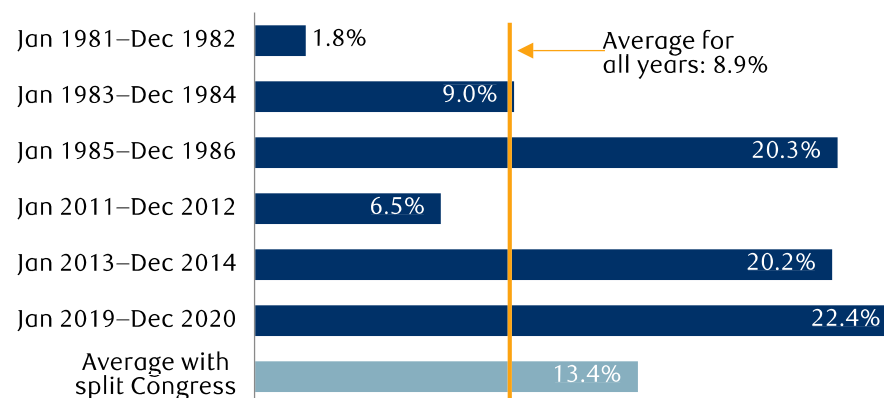
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might think in American history. It has occurred in only six of the two-year periods since 1932, with all of those coming after 1980. In other words, a split Congress has been a much more frequent phenomenon in the modern era.

We found that the S&P 500 outperformed in four of the six instances of a split Congress, with three of those periods racking up annualized gains of more than 20 percent. For all six periods, it rose 13.4 percent annualized, on average, compared to an 8.9 percent average annual gain in all years since 1932.

S&P 500 annualized returns under a split Congress

Six instances of one party controlling the House of Representatives and the other party controlling the Senate since 1932



Source - RBC Wealth Management, Bloomberg; based on price returns (does not include dividends); data cover two-year periods that follow both presidential and midterm elections; annual average from 1932 through 2020

Fundamentally, it comes down to fundamentals

If history is a guide, the past performance surrounding midterm elections and the potential for gridlock in Washington following the November 8 vote could bode well for the market. The data demonstrate there are indeed market performance patterns associated with election years that we believe are worth paying attention to and respecting, especially those that surround midterm elections.

But investors should keep in mind that elections are not the only or even the main drivers of U.S. stock prices. We think market performance actually has greater linkages to the Fed's monetary policy decisions, the ebb-and-flow of the economy, and related corporate earnings trends than it does to actions that emanate from the White House and Capitol Hill. These factors are currently in flux, which is why we think the market has been volatile recently.

It's prudent to keep the compass pointed toward domestic economic fundamentals, and specifically to the path of [forward-looking recession indicators](#)—especially given the current uncertainties. We believe recessions and the corresponding movements of corporate profits matter more to investment returns than political party control in Washington. Recessions are usually responsible for ushering in equity bear markets. Then during periods of economic duress—often when headlines are at their worst and investor sentiment is rather negative—early hints of economic green shoots typically spark new bull market cycles even before recessions end.

U.S. RECESSION Scorecard

Coming into focus

Three of our seven leading indicators of U.S. recession have unequivocally reached levels that would signal an economic downturn is on the way. The Conference Board Leading Economic Index is the latest indicator to join the recessionary club. Three more are still firmly in expansionary territory but are moving (slowly) in the wrong direction, and the last, the unemployment rate, is very marginally above its all-time low.

The indicators that have flipped to recessionary status so far, together with the most recent low in unemployment claims (March 2022), point toward a recession getting underway by Q2 2023.

Yield curve (10-year to 1-year Treasuries)

The position of short-term interest rates relative to long-term rates—aka the shape of the yield curve—has been the most reliable leading indicator of a U.S. recession. Before the start of every recession for the past 75 years, the 1-year Treasury yield has risen above the 10-year yield, indicative of the arrival of tighter credit conditions. About a year after this crossing occurs, a recession begins.

The 1-year yield rose above the 10-year yield decisively in July. History suggests the U.S. economy will be in recession by next summer.

A majority of U.S. banks have begun raising lending standards, corroborating the yield curve's signal that credit conditions are becoming more restrictive. However, loan payment delinquencies and default rates remain very low; therefore, credit is likely to remain accessible, albeit more expensive, for some time.

ISM New Orders minus Inventories

The difference between the New Orders component and the Inventories component has turned negative near the start of most U.S. recessions. But it has also registered occasional false positives—signaling a recession was imminent when none subsequently arrived. Moreover, this indicator only relates to activity in the manufacturing sector (some 15% of the U.S. economy) and is derived from a survey rather than hard data. Therefore, we view this as a corroborative indicator—one to pay attention to if other longer-term indicators are implying a recession is on the way. It has been negative since May.

U.S. recession scorecard

Indicator	Status		
	Expansionary	Neutral	Recessionary
Yield curve (10-year to 1-year Treasuries)			✓
Unemployment claims	✓		
Unemployment rate	✓		
Conference Board Leading Economic Index			✓
Free cash flow of non-financial corporate business	✓		
ISM New Orders minus Inventories			✓
Fed funds rate vs. nominal GDP growth	✓		

Source - RBC Wealth Management

U.S. RECESSION SCORECARD

Conference Board Leading Economic Index

Historically, this series has given reliable early warnings of recession. When the index has fallen below where it was a year earlier, a recession has always followed—usually two to three quarters later.

This indicator was still positive at the end of Q2. But the July data put the year-over-year comparison into recessionary territory while the comparative data for August and September 2021, and indeed for Q4 2021, suggest there is little to no chance of this crossover being reversed anytime soon. We are revising the status of this indicator to red. It now indicates a U.S. recession will likely be underway by Q2 of next year.

Unemployment claims

This series set its low, so far, for this cycle back in March. The cycle low for claims has typically been registered about 12 months before the start of the next recession. So, if no lower reading is posted in the coming months, its history would suggest a recession could get underway by the spring of next year.

Unemployment rate

The unemployment rate ticked higher in August to 3.7% from a multi-decade low of 3.5% in July. It would need to climb to almost 4.5% by December to signal a recession is definitely on the way. Once that signal is given, on average it has been 10–11 months before the recession gets underway although there have been several instances where the time gap was only five to seven months.

As for the rest ...

Neither the **free cash flow of non-financial corporate business** nor the **fed funds rate vs. nominal GDP growth** appear remotely close to crossing the threshold into a recessionary reading.

Weighing up the current positioning of all seven indicators and projecting their likely paths over the next couple of quarters continues to point to a growing probability the U.S. will enter recession sometime in H1 2023.

GLOBAL Equity



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Caution called for

Most developed markets rallied through July and into August. However, they have given back at least half of those gains over the past several weeks. Investor sentiment is once again lopsidedly negative.

The rally was fueled by a substantial retreat in bond yields as investors hopefully signed on to the notion that softer inflation readings would allow the Fed and other central banks to pivot away from a path of aggressive tightening. Fed actions and rhetoric subsequently scuppered that idea: bond yields regained half of the ground lost and equities slumped.

Markets are deeply oversold but could become even more so in the coming days and weeks, in our opinion. A sustained equity rally, one with the potential to reach or exceed the old highs would require a powerful catalyst from here. The one conceivably strong enough, in our view, would be a decisive weakening of inflation on a broad front, putting an early 2023 end to Fed tightening back on the table and pushing bond yields lower in the process.

Such a development is not entirely wishful thinking: U.S. gasoline futures have fallen from \$4.50 per gallon back down to 2021 levels around \$2.30; some agricultural commodities, including wheat and corn, have come off the boil; port congestion and supply chain dislocations are rapidly clearing; shipping rates have retreated markedly as has the cost of containers; as new car production builds, used car prices have weakened and should fall further; and airfares and hotel room rates have shown signs of softening.

But the Fed and other central banks will need more than “softening.” They will need to see unequivocal signs the inflation tide has turned. Such evidence is unlikely to materialise before the first half of next year.

Equity views

Region	Current
Global	=
United States	=
Canada	=
Continental Europe	-
United Kingdom	-
Asia (ex Japan)	+
Japan	+

+ Overweight; = Market Weight; - Underweight
Source - RBC Wealth Management

Central banks in Europe, the UK, and the U.S. have indicated they are willing to risk recession if that’s what it takes to tame inflation. For the first two, this appears to be a moot point—recessions seem inevitable in both the UK and EU by way of the energy crisis rather than monetary policy.

For the U.S., the probabilities of a broad-based economic contraction arriving in the coming months have risen sharply. A glance at our [Recession Scorecard](#) shows that two of the longest lead time, most consistently reliable predictors of U.S. recession—the yield curve and the Conference Board’s Leading Economic Index—have each crossed their respective thresholds. Their histories suggest the U.S. economy will enter recession in the first half of next year. A third, less important indicator—ISM New Orders minus Inventories—is also flashing red. Other indicators in the scorecard are heading in the same direction.

This is not good news for equities. U.S. recessions have always been accompanied by equity bear markets, which typically get underway some months before the recession begins—on average about five to seven months before. If that average holds true, it would offer the intriguing possibility the cycle peak for the post-COVID-19 bull market still lies ahead.

GLOBAL EQUITY

This leaves investors to navigate through some challenging crosscurrents. On the one hand, equity returns are likely capped by the highs of late last year/early this year for as long as central banks, especially the Fed, are not finished with raising rates. On the other hand, as each month passes, leading indicators strongly suggest we are getting that much closer to the onset of recession and, even before that, the start of the associated equity bear market that could conceivably feature even greater market downside than we have experienced year to date.

For now, a Market Weight position in global equities balances the possibility of a market retest of the old highs in the coming months

against the growing risks of market weakness next year associated with a recession that has become increasingly probable. Regionally, with central banks more hawkish than consensus expectations and the energy crisis worsening, we have chosen to move both Europe and the UK to Underweight. With its central bank on hold, we move Japan to Overweight.

Capped upside together with open downside presents a risk/reward profile that argues for caution.

GLOBAL
Fixed income



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A divergence in the force

The disturbance of global inflationary pressures that has reverberated through markets over the course of 2022 has seemingly given way to a divergence in global inflationary pressures between various regions, and we believe that will have differing impacts on the policy paths of major global central banks going forward.

After a summer lull in inflation expectations, the market has priced a resurgence in inflation in Europe and the UK given ongoing energy shortages, putting the Bank of England (BoE) and the European Central Bank (ECB) in precarious spots as higher rates are unlikely to have much, if any, impact on higher inflation from higher energy costs, but they can't sit still either, in our view. As a result, RBC Capital Markets expects both central banks to remain on hawkish paths, with the ECB raising rates by another 50 basis points (bps) to 0.50% this month, or perhaps even 75 bps, and the BoE by 25 bps to 2.00%. But current market expectations see some chance that both raise rates by an even greater magnitude.

Fixed income views

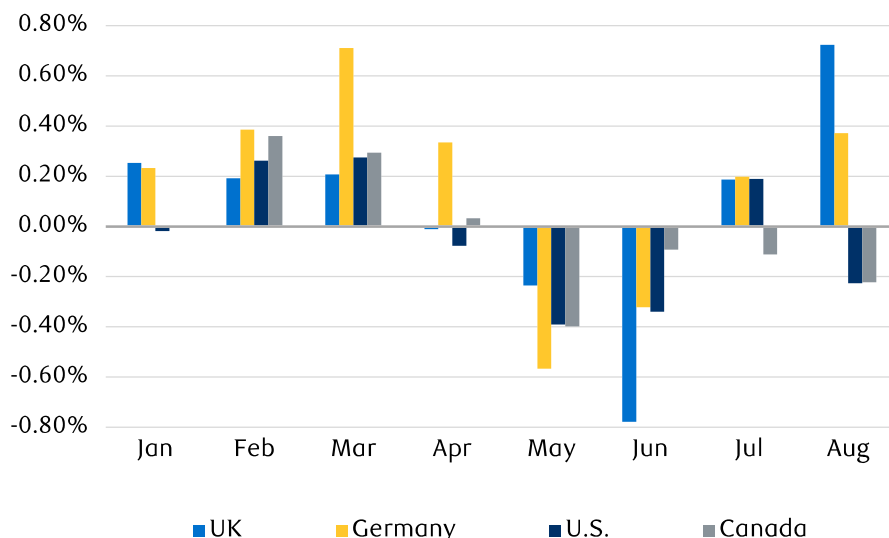
Region	Gov't bonds	Corp. credit	Duration
Global	=	=	5-7 yr
United States	=	=	7-10 yr
Canada	+	+	5-7 yr
Continental Europe	=	=	5-7 yr
United Kingdom	-	=	5-7 yr

+ Overweight; = Market Weight; - Underweight
Source - RBC Wealth Management

But where the ECB and BoE are expected to stay aggressive, the story is a bit different in the U.S. and Canada. Fixed income markets in the U.S. have performed better over the course of the summer compared to the first half of the year as market-based inflation expectations have fallen sharply, and have remained low, presumably giving the Fed the option of dialing back the pace of rate hikes. For its part, we expect the Fed to deliver another 75 bps rate hike at the September meeting, but

Monthly change in market-based five-year inflation expectations shows a resurgence in some regions

Markets' five-year inflation expectations



Source - RBC Wealth Management, Bloomberg; data as of 8/31/22

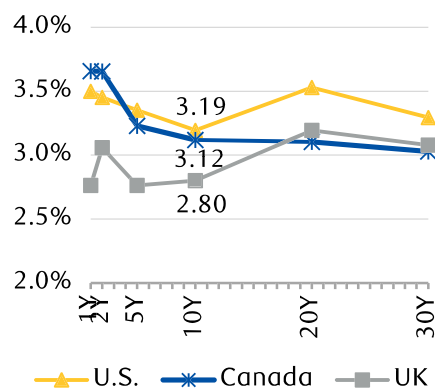
GLOBAL FIXED INCOME

to consider a throttled-back 50 bps hike dependent on the incoming data. From there, we see policymakers scaling all the way back to 25 bps moves at subsequent meetings, and as needed. While markets may have misread a dovish pivot from the Fed over the course of the summer, Fed Chair Jerome Powell stated in a speech at the annual Jackson Hole Economic Symposium that there would likely be “pain” ahead for the economy and consumers, as the Fed still believes that doing whatever is needed to return to price stability now is preferable to the consequences of loosening policy too early, and risking a resurgence of inflation.

That said, fading inflationary pressures and a notable deceleration in economic momentum in the U.S. is still likely to give the Fed enough justification to continue to slow the pace of its rate hike cycle by year-end, with a clear dovish signal likely to be given to markets this month or at the November meeting as overtightening policy eventually becomes a greater concern for the Fed than inflation.

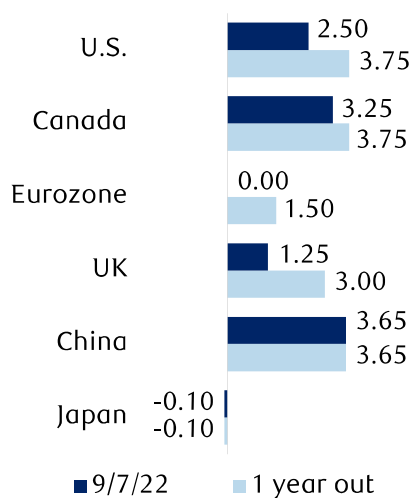
While inflation has been a global problem to this point, and the central bank response of higher rates has largely been one and the same, September may mark an inflection point where regional forces dictate the next moves for individual central banks and markets.

Sovereign yield curves



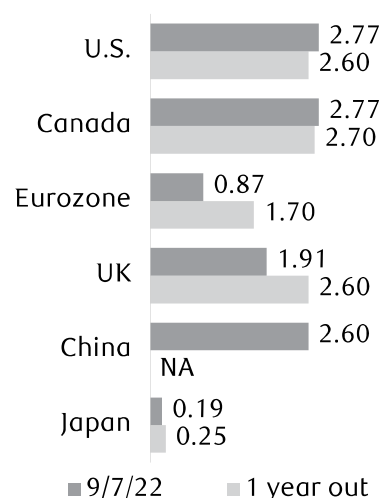
Source - Bloomberg; data through 8/31/22

Central bank rate (%)



Source - RBC Investment Strategy Committee, RBC Capital Markets forecasts, Global Portfolio Advisory Committee, RBC Global Asset Management

10-year rate (%)

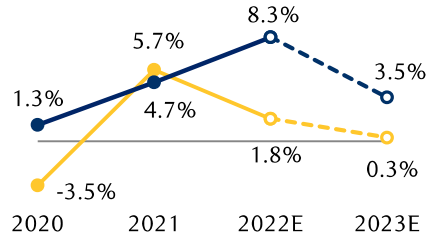


Note: Eurozone utilizes German Bunds.
Source - RBC Investment Strategy Committee, Global Portfolio Advisory Committee, RBC Global Asset Management

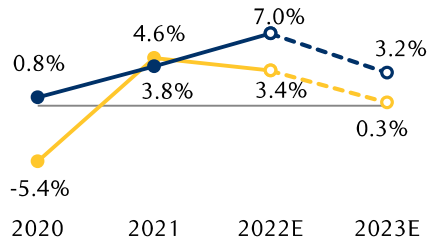
KEY Forecasts

- Real GDP growth
- Inflation rate

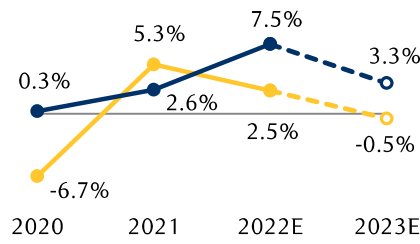
United States



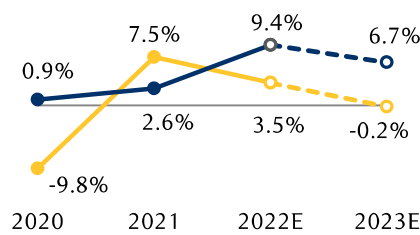
Canada



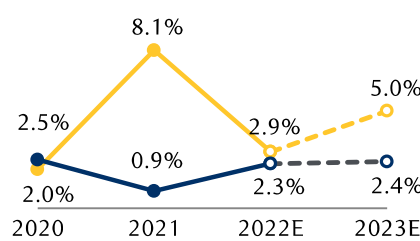
Eurozone



United Kingdom



China



Japan

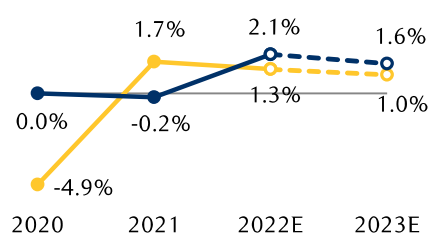


Chart source - RBC Investment Strategy Committee, RBC Capital Markets, Global Portfolio Advisory Committee, RBC Global Asset Management, Bloomberg consensus estimates

MARKET Scorecard

Data as of August 31, 2022

Equities

The selloff in global equities continued in August with the European STOXX indexes among the largest declines, down over 5% each.

Bond yields

Global bond yields surged last month as inflation and global economic concerns continued to roil fixed income markets. The largest mover was the German 2-year yield, up over 180 bps since the start of August.

Commodities

Oil prices fell again in August, marking three consecutive months of price declines.

Currencies

The dollar posted strong gains against the world's major currencies, with the largest advance shown against the Japanese yen.

Equity returns do not include dividends, except for the Brazilian Ibovespa. Equity performance and bond yields in local currencies. U.S. Dollar Index measures USD vs. six major currencies. Currency rates reflect market convention (CAD/USD is the exception). Currency returns quoted in terms of the first currency in each pairing.

Examples of how to interpret currency data: CAD/USD 0.76 means 1 Canadian dollar will buy 0.76 U.S. dollar. CAD/USD -3.7% return means the Canadian dollar has fallen 3.7% vs. the U.S. dollar during the past 12 months. USD/JPY 138.96 means 1 U.S. dollar will buy 138.96 yen. USD/JPY 20.8% return means the U.S. dollar has risen 20.8% vs. the yen during the past 12 months.

Index (local currency)	Level	1 month	YTD	12 month
S&P 500	3,955.00	-4.2%	-17.0%	-12.6%
Dow Industrials (DJIA)	31,510.43	-4.1%	-13.3%	-10.9%
Nasdaq	11,816.20	-4.6%	-24.5%	-22.6%
Russell 2000	1,844.12	-2.2%	-17.9%	-18.9%
S&P/TSX Comp	19,330.81	-1.8%	-8.9%	-6.1%
FTSE All-Share	4,007.46	-2.4%	-4.8%	-2.5%
STOXX Europe 600	415.12	-5.3%	-14.9%	-11.8%
EURO STOXX 50	3,517.25	-5.1%	-18.2%	-16.2%
Hang Seng	19,954.39	-1.0%	-14.7%	-22.9%
Shanghai Comp	3,202.14	-1.6%	-12.0%	-9.6%
Nikkei 225	28,091.53	1.0%	-2.4%	0.0%
India Sensex	59,537.07	3.4%	2.2%	3.4%
Singapore Straits Times	3,221.67	0.3%	3.1%	5.5%
Brazil Ibovespa	109,522.88	6.2%	4.5%	-7.8%
Mexican Bolsa IPC	44,919.22	-6.7%	-15.7%	-15.7%
Bond yields	8/31/22	7/29/22	8/31/21	12 mo. chg
U.S. 2-Yr Tsy	3.493%	2.884%	0.209%	3.28%
U.S. 10-Yr Tsy	3.193%	2.649%	1.309%	1.88%
Canada 2-Yr	3.651%	2.964%	0.425%	3.23%
Canada 10-Yr	3.118%	2.610%	1.216%	1.90%
UK 2-Yr	3.021%	1.710%	0.219%	2.80%
UK 10-Yr	2.801%	1.864%	0.714%	2.09%
Germany 2-Yr	1.202%	-0.601%	-0.713%	1.92%
Germany 10-Yr	1.541%	-0.185%	-0.383%	1.92%
Commodities (USD)	Price	1 month	YTD	12 month
Gold (spot \$/oz)	1,711.04	-3.1%	-6.5%	-5.7%
Silver (spot \$/oz)	17.99	-11.6%	-22.8%	-24.7%
Copper (\$/metric ton)	7,845.50	-1.1%	-19.5%	-17.7%
Oil (WTI spot/bbl)	89.55	-9.2%	16.3%	30.7%
Oil (Brent spot/bbl)	96.49	-12.3%	24.1%	32.2%
Natural Gas (\$/mmBtu)	9.13	10.9%	144.7%	108.5%
Agriculture Index	478.39	4.7%	7.5%	16.1%
Currencies	Rate	1 month	YTD	12 month
U.S. Dollar Index	108.7000	2.6%	13.6%	17.4%
CAD/USD	0.7616	-2.5%	-3.7%	-3.9%
USD/CAD	1.3130	2.6%	3.9%	4.1%
EUR/USD	1.0054	-1.6%	-11.6%	-14.9%
GBP/USD	1.1622	-4.5%	-14.1%	-15.5%
AUD/USD	0.6842	-2.0%	-5.8%	-6.5%
USD/JPY	138.9600	4.3%	20.8%	26.3%
EUR/JPY	139.7000	2.6%	6.7%	7.5%
EUR/GBP	0.8651	3.1%	2.8%	0.8%
EUR/CHF	0.9829	1.0%	-5.3%	-9.1%
USD/SGD	1.3971	1.2%	3.6%	3.9%
USD/CNY	6.8904	2.2%	8.4%	6.7%
USD/MXN	20.1382	-1.1%	-1.9%	0.3%
USD/BRL	5.1839	0.2%	-7.0%	0.6%

Research resources

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			Count	Percent
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