

U.S. Equities August 2022

Key Highlights

- The [S&P 500[®]](#) was down 4.24% in August, bringing its YTD return to -17.02%.
- The [Dow Jones Industrial Average[®]](#) lost 4.06% for the month and was down 13.29% YTD.
- The [S&P MidCap 400[®]](#) fell 3.25% for the month, bringing its YTD return to -14.46%.
- The [S&P SmallCap 600[®]](#) was down 4.51% in August and had a YTD return of -15.53%.

Exhibit 1: Index Returns

Index	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	3-Year (%)
S&P 500	-4.24	-4.29	-17.02	-12.55	35.15
Dow Jones Industrial Average	-4.06	-4.49	-13.29	-10.89	19.34
S&P MidCap 400	-3.25	-3.33	-14.46	-11.70	29.23
S&P SmallCap 600	-4.51	-4.18	-15.53	-13.37	28.87

Source: S&P Dow Jones Indices LLC. Data as of Aug. 31, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Market Snapshot

Winston Churchill (June 4, 1940), and now Jerome Powell (Aug. 26, 2022): “We shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender.”

The S&P 500 tried to balance interest rates and Fed expectations against costs and profits, but found no balance in August, as it traded most of the month up (reaching 4.72% on Aug. 16), supporting the 4,100 level and then 4,200 (and at one point breaking above 4,300). It ignored statements from the Fed that it would do whatever it took to fight inflation and ended the month trying to defend 4,000, but it closed south at its monthly low of 3,955 (down 4.24% for the month). The realization came at Jackson Hole (with a one-day 3.39% decline), when Powell

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committed to beating inflation, to “use our tools forcefully” and “for some time,” acknowledging that it would inflict “some pain,” which he said was one of the “unfortunate costs of reducing inflation.”

The result was that the market changed its anticipation of dovish Fed actions to expect an interest rate increase of 0.75% at its Sept. 20-21, 2022, meeting (there are some hoping for 0.50%, along with a few expecting 1.00%), followed by a 0.50% hike in November and then a 0.25% rise in December. There now seems to be no market for bets on a first-half Fed rate cut (a few for the second half), and given the time the increases take to fully flow through the economy, I would personally add rightly so.

For the index, this meant a 4.24% decline in August, down 17.02% YTD, and up 7.86% from its recent June 16, 2022, low as the market entered September, which is historically the worst month of the year, with an average decrease of 1.03% (since 1928).

September is traditionally when we get back to work from our summer vacation, but neither July nor August seemed dull. Economic data is expected to dominate the view, and therefore the trades (and reallocations), as the month will open with the ISM Manufacturing PMI, followed by Employment (Sept. 2), with the usual suspects following: ISM Services PMI (Sept. 6), CPI (Sept. 13), PPI (Sept. 14), Imports/Exports (Sept. 15) and then the Quadruple Witching day and S&P 500 rebalance (Sept. 16). The main event will be the FOMC meeting (Sept. 20-21), as a host of housing, inventory, income and GDP reports follow, with Q3 2022 earnings raising its head at month-end. Also in the news (and in the trades) will be the back-to-school sales, which are not expected to be good, as consumers, in general, have already pulled back. The consumer summer spending spree is already showing forward signs of decline (bookings, purchases), as retail stores are expected to start sales of overstocked merchandise, with concern over the holiday season growing.

Historically, August gains 59.6% of the time, with an average gain of 3.89% for the up months, a 3.95% average decrease for the down months and an overall average increase of 0.72%. In the forward September month, historically, the index posts gains 44.7% of the time, with an average gain of 3.28% for the up months, a 4.70% average decrease for the down months and an overall average decrease of 1.03% (historically, the worst month of the year).

The S&P 500 closed at 3,955.00, down 4.24% for the month (-4.08% with dividends) from last month's close of 4,130.29, up 9.11% (9.22%) from June's 3,785.38 close, down 8.39% (-8.25%). The three-month period posted a loss of 4.29% (-3.88%), the YTD return was -17.02% (-16.14%) and the one-year return was -12.55% (-11.23%), with the index down 17.55% (-16.68%) from its Jan. 3, 2022, closing high, up 7.86% (8.21%) from the recent June 16 low, and up 16.80% (21.61%) from its pre-COVID-19 Feb. 19, 2020, closing high. Since Biden won the Nov. 3, 2020, U.S. election, the market has gained 17.39% (20.68%).

The Dow ended the month at 31,510.43, down 4.06% (-3.72% with dividends) from last month's 32,845.13 close, up 6.73% (6.82%) from the prior month's 30,775.43 close, down 6.71% (-6.56%). The three-month return was -4.49% (-3.90%), the YTD return was -13.29% (-12.01%) and the one-year return was -10.89% (-9.07%).

The S&P 500 continued July's broad 9.11% rebound (from June's -8.39% and the first half's -20.58%) through mid-month (up 4.72% and up 18.83% intraday from its June 16 low), but it was unable to hold onto the rebound, as concern over the Fed interest rate increases and the depth of the consumer pullback pushed it back down. Nine of the sectors declined (a mirror of nine gaining in July), as breadth was negative (133 up, with 8 up at least 10%; 368 were down, with 71 down at least 10%), with similar results YTD (116 up, with 34 up at least 20%, and 383 down, with 213 issues down at least 20%), when nine sectors were also down (Energy was up 44.72%, while Communication Services was down 31.04%).

Results for Q2 2022 earnings reported to date show 492 issues have reported (98.7% of the market value), with 369 beating operating estimates (75.0%), 100 missing and 23 meeting, while 349 of the 492 (71.1%) have beaten on sales. The official operating earnings for the quarter, which includes Berkshire Hathaway's (BRK) Q2 2022 USD 66.9 billion "unrealized investment" loss (which was mostly non-cash flow and had a USD -4.74 per share impact), is expected to post a 4.8% decline from its Q1 2022 level and be down 9.8% over Q2 2021. Excluding Berkshire Hathaway's loss, it is expected to be up 4.8% over Q1 2022 and down 0.7% over Q2 2021. Sales are expected to increase 2.3% from Q1 2022 and be up 12.2% over Q1 2022, which would set a new record.

Daily intraday volatility (daily high/low) decreased to 1.28% from last month's 1.68% (2.03% the month before that), as the YTD volatility was 1.85% (1.94% last month), 2021 was 0.97%, 2020 was 1.73% and 2019 was 0.85% (2018 was 1.21% and 2017 was 0.51%, which was the low since 1962).

Speaker of the U.S. House of Representatives Nancy Pelosi visited Taiwan, despite objections from the Chinese government; China then held public military drills. The market did not react to these events. Senate Democrats reached a deal on the Inflation Reduction Act to fund clean energy and climate initiatives (USD 369 billion) and the Affordable Care Act Extension (USD 64 billion), which adds a 15% minimum tax on corporations (with exceptions), permits Medicare to negotiate prescription drug prices, funds additional IRS enforcement, and adds a 1% buyback tax (amounting to USD 739 billion, leaving USD 300 billion for deficit reduction). Over the month, the Senate and House passed the bill, and the president signed it into law. Biden signed an executive order forgiving up to USD 20,000 in student loan debt per person for those with an income of less than USD 125,000 (impacting 43 million people), costing USD 329 billion.

OPEC Plus met and approved increasing oil production (currently about 28 million barrels per day) by 100,000 barrels per day starting in September 2022. The minor increase came after the U.S. had urged an increase. Oil was volatile, closing down at USD 88.87 from July's USD 98.43, June's USD 105.97 and May's USD 115.12 (it had reached USD 130.50 this year) and was up 17.9% YTD (USD 75.40), as EIA all-grade gasoline was up 16.7% YTD (USD 3.938; USD 4.440 in July and USD 3.375 at year-end 2021). From year-end 2020, oil was up 83.5% (USD 48.42 a barrel), while gasoline was up 71.4% (USD 2.330 a gallon). For 2021, the EIA reported that the makeup of gasoline costs was 53.6% from crude oil, 16.4% from federal and state taxes, 15.6% from distribution and marketing and 14.4% from refining costs and profits.

The U.S. declared monkeypox a public health emergency; the outbreak continued to spread, as did the public criticism of the lack of vaccines. To date in the U.S., there have been 18,417 (6,617 last month) confirmed cases (according to the CDC), and 49,974 (26,206) globally, in 99 (87) countries.

In the U.S., a new COVID-19 vaccine is expected to be rolled out in September, which would target the Omicron BA.4 and BA.5 subvariants. Globally, 12.6 billion shots have been given (12.3 billion last month). In the U.S. to date: 78.3% (77.8%) of the population has received at least one shot, 66.8% (66.4%) have been classified as fully vaccinated, with 32.3% (31.8%) having a booster shot. The seven-day U.S. average COVID-19 case rate decreased to 90,428 from last month's 127,022; it reached 1,417,493 on Jan. 11, 2022 (83,120 at the end of November 2021), as the death rate increased to 473 (439). U.S. COVID-19-related deaths were at 1,041,000 (1,029,000).

The Bank of England increased its interest rates by 0.50% (the largest increase since 1977), from 1.25% to 1.75%, saying it expected the country to enter a deep recession in Q4 2022, with inflation expected to reach 13% (currently at a 40-year high of 9.4%) and remain high into 2023. The People's Bank of China unexpectedly reduced its short-term liquidity rate to banks from 2.1% to 2.0%, as well as its one-year lending rate to 2.75% from 2.85%.

The FOMC minutes said it saw inflation staying "uncomfortably high," but it was committed to raising interest rates to fight it. The Federal Reserve started its annual symposium retreat in Jackson Hole. Chair Powell said the Fed would stick to its target of returning price stability (lower inflation), as he said future interest rate increases would be dependent on the data, and that the Fed realized that higher rates would inflict pain on the economy, but that no action would do more damage. He also cited some evidence of lower inflation, but that the Fed required more evidence to pull back from its action.

Earnings results and guidance dominated significant parts of the trade in August, as 492 issues have reported to date, with 369 beating estimates (75.0%) and 100 missing, as 349 of the 491 (71.1%) have beaten on sales. Earnings for Q2 2022 are expected to post a 4.8% decline over Q1 2022 (Q1 2022 was down 13.0% over the record Q4 2021) and be down 9.8%

year-over-year (Q2 2021). Sales are expected to increase 2.3% from Q1 2022 and be up 12.2% year-over-year, setting a new record. For 2022, earnings are expected to set another record, increasing 0.9% over 2021, with a 2022 P/E of 18.8. The 2023 estimates call for a 14.7% gain over 2022, with a 2023 P/E of 16.4.

Significant EPS impact due to share count reduction for Q2 2022 was up, currently at 20.0% of the reported issues, compared with Q1 2021's 16.6% and Q2 2021's 5.4% (17.8% for Q2 2020 and 24.2% for Q2 2019). Operating margins for Q2 2021 decreased, as the quarter saw companies able to pass along higher costs, coming in at 10.89%, down from 11.93% in Q1 2022 (the average from 1993 was 8.24%, and the record is 13.54% in Q2 2021).

Chinese e-commerce retailer Alibaba (BABA) said it would comply with U.S. regulations to maintain its U.S. exchange listings; last week, the SEC placed the retailer on a list of issues at risk of being delisted in the U.S. Online trading issue Robinhood (HOOD) missed on earnings, as it said it would reduce its workforce by 23% (it had reduced it by 9% in April). Apple (AAPL) set Sept. 7, 2022, for its iPhone 14 release (an in-person event), including one version (of four) with a new larger max size. It also set Sept. 5, 2022, as its return-to-office mandate (requiring a few days per week), ending its pandemic flexibility policy; there is some employee pushback. Apple will start production of its new iPhone 14 in India, in addition to its Chinese production. Health Care issue Moderna (MRNA) sued Pfizer, alleging the company infringed on the patents in its COVID-19 vaccine.

Retailer Bed Bath & Beyond (BBY) said it would close 150 stores and cut its workforce, as it sells shares to raise cash. Snapchat owner Snap (SNAP) said it would lay off 20% of its 6,400 workers in a cost-cutting move. Apple issued USD 5.5 billion in bonds (up to 40 years in maturity), which will partially be used to fund buybacks. Electric automotive company Tesla (TSLA) executed a 3-for-1 stock split; Alphabet (GOOG/L) split 20-for-1 in July and Amazon did a 20-for-1 split in June. Elon Musk sold 7.92 million shares (approximately USD 7 billion) of Tesla; speculation was that he did so to help finance his Twitter (TWTR) acquisition, which he is attempting to negate.

The State of California voted to require all new automobile sales to be zero emission starting in 2035, effectively banning gas-driven units. The state also set interim targets, which require 35% zero emissions by 2026 and 68% by 2030.

The U.S. and China agreed on a plan to permit Chinese U.S.-listed issues to be audited, preventing their pending delisting in the U.S. Russia shut down the Nord Stream gas pipeline to Europe, saying it was for maintenance (planned for three days), in what many saw as a warning shot at Europe to limit their support for Ukraine. Russia had previously limited the Nord Stream pipeline to 20% of capacity (which is still in affect).

The 10-year U.S. Treasury Bond closed at 3.17%, up from last month's 2.85% (1.51% at year-end 2021, 0.92% at year-end 2020, 1.92% at year-end 2019, 2.69% at year-end 2018 and 2.41% at year-end 2017). The 30-year U.S. Treasury Bond closed at 3.28%, up from last month's 3.12% (1.91%, 1.65%, 2.30%, 3.02%, 3.05%). The pound closed at 1.1621, down from 1.2140 last month (1.3525, 1.3673, 1.3253, 1.2754, 1.3498); the euro closed at 1.0052, down from last month's 1.0266 (1.1379, 1.2182, 1.1172, 1.1461, 1.2000). The euro broke under parity to the U.S. dollar during the month. When the euro launched in 1999 within the original 12 EU countries, it was at 1.17 to the U.S. dollar; the low was 0.83 in 2000, and the high was 1.60 in 2008. The yen closed at 138.98 from last month's 133.46 (115.08, 103.24, 108.76, 109.58, 112.68); the yuan closed at 6.8904 from last month's 6.7442 (6.3599, 6.6994, 6.9633, 6.8785, 6.5030).

Oil closed at USD 88.87 (it had reached USD 130.50 this year) from last month's USD 91.79 close and was up 17.9% YTD (USD 75.40), as EIA all-grade gasoline was up 16.7% YTD (USD 3.938, USD 4.440 last month, and USD 3.375 at year-end 2021). From year-end 2020, oil was up 83.5% (USD 48.42 a barrel), while gasoline was up 69.0% (USD 2.330 a gallon). For 2021, the EIA reported that the makeup of gasoline costs was 53.6% from crude oil, 16.4% from federal and state taxes, 15.6% from distribution and marketing and 14.4% from refining costs and profits. Gold closed at USD 1,722.40, down from last month's USD 1,816.80 (USD 1,829.80 in July, USD 1,901.60 at the end of 2021, USD 1,520.00 at the end of 2020, USD 1,284.70 at the end of 2019 and USD 1,305.00 at the end of 2018). VIX[®] closed at 25.87, trading as high as 27.69 and as low as 19.12, up from 21.13 last month (17.22, 22.75, 13.78, 16.12 and 11.05). In 2021, it traded as high as 37.51 and as low as 14.10. In 2020, it traded as high as 85.47 and as low as 11.75.

Index Review

S&P 500

The S&P 500 closed at 3,955.00, down 4.24% for the month (-4.08% with dividends) from last month's close of 4,130.29, up 9.11% (9.22%) from June's close of 3,785.38, down 8.39% (-8.25%). The three-month period posted a loss of 4.29% (-3.88%), the YTD return was -17.02% (-16.14%) and the one-year return was -12.55% (-11.23%), with the index down 17.55% (-16.68%) from its Jan. 3, 2022, closing high, up 7.86% (8.21%) from the recent June 16 low and up 16.80% (21.61%) from its pre-COVID-19 Feb. 19, 2020, closing high.

Monthly intraday volatility (daily high/low) decreased to 1.28% from last month's 2.68% (2.03% the month before that), as the YTD volatility was 1.85% (1.94% last month). For 2021, it was 0.97%, 2020 was 1.73% and 2019 was 0.85% (2018 was 1.21% and 2017 was 0.51%, which was the low since 1962). Of the 23 trading days in August, 17 had a high/low intraday spread of at least 1% (last month 18 of the 20 trading days had it), with 1 having a spread of at least

3% (none last month); year-to-date, 146 had a spread of at least 1%, with 61 having at least 2%, 14 having at least 3% and 3 at least 4%. For 2021, there were 93 at 1% and 3 at 3%; for 2020, there were 158 at 1% and 34 at 3%; for 2019, there were 73 at 1% and 1 at 3%; and in the fun days of 2008, there were 228 (of the 253 trading days) at 1% and 75 at 3%.

S&P 500 trading was flat (adjusted for trading days) for August, after July's 18% decrease, as the year-over-year rate was up 18% over August 2021, and the 12-month trading volume was down 16% over the prior period. In August, 8 of the 23 trading days moved at least 1% (4 up and 4 down), while 3 moved at least 2% (1 up and 2 down). For July, 9 of the 20 days posted at least a 1% change (7 up and 2 down), as 2 moved at least 2% (both up). Year-to-date, 80 moved at least 1% (39 up and 41 down), with 31 up at least 2% (15 up and 16 down). For 2021, there were 55 moves of at least 1% (34 up and 21 down), with 7 moving at least 2% (2 up and 5 down); in 2020, there were 109 days that posted a 1% move (64 up and 45 down; 2019 posted 22 up at least 1% and 15 down at least 1%).

Breadth significantly reversed course in August and became strongly negative, as 132 issues gained (an average of 4.01% each), down from July's 443 issues (10.44%) and up from June's 57 (2.65%). Gains of 10% or more decreased to 8 (average gain was 16.43%) from last month's 217 (15.61%) and the prior month's 1 (11.39%); no issue gained at least 25%, compared with 15 (31.61%) last month and none the month before that. On the downside, 369 issues fell (an average loss of 6.32%), compared with 60 issues last month (-4.19%) and the prior month's 446 (-11.03%). For August, 71 issues declined at least 10% (-13.51%), up from July's 4 issues (-15.93%) and down from June's 225 issues (-16.15%); no issue fell at least 25%, the same as last month, and down from the prior month's 17 (-29.95%). For the three-month period, breadth increased, but stayed negative, as 136 issues gained an average of 7.21%, compared with 240 (7.90%) last month, while 367 issues declined (average -10.00%), up from 263 (-9.01%) last month. Gains of at least 10% were posted by 35 issues (16.73%), down from 68 (16.84%) last month, and declines of at least 10% were posted by 166 issues (-16.40%), compared with the prior month's 87 issues (-18.10%). For the three-month period, 5 (6 last month) issues were up at least 25%, while 20 (13) were down at least 25%.

Year-to-date, breadth declined, as 116 issues gained an average of 17.29%, compared with 129 (15.19%) last month, while 385 issues declined (average -26.47%), up from 373 (-19.00%) last month. Gains of at least 10% were posted by 56 issues (31.04%), down from 62 (25.87%) last month, and declines of at least 10% were posted by 309 issues (-26.47%), compared with the prior month's 280 issues (-23.68%). Year-to-date, 26 (24 last month) issues were up at least 25% and 156 (109) were down at least 25%. For 2021, breadth was strongly positive, as 434 issues gained an average of 34.30% and 70 issues declined (average -12.01%). In 2021, gains of at least 10% were posted by 367 issues (39.77%), compared with 36 issues that declined at least 10% (-19.27%), as 259 issues were up at least 25% and 7 were down at least 25%.

The Dow[®]

The broad market rebounded in the first half of August, but lost the gains (and then some) after Powell's Jackson Hole speech, as the Fed revealed it would continue with interest rate increases until it was sure that inflation was under control; this compared to many on Wall Street, who thought it would increase and then wait to measure the impact. Economic data continued to suggest that inflation may be peaking, as more companies warned of difficult and uncertain Q3 and Q4 2022. Data also indicated that consumers were pulling back, as the post-COVID-19-inspired summer spending spree has ended. The Dow posted a broad 4.06% decline, after July's broad 6.73% gain.

For the month, the index closed at 31,510.43, down 4.06% (-3.72% with dividends) from last month's 32,845.13 close, when it was up 6.73% (6.82%) from the prior month's 30,775.43 close, when it was down 6.71% (-6.56%). The three-month return was -4.49% (-3.90%), the YTD return was -13.29% (-12.01%) and the one-year return was -10.89% (-9.07%). The 3-year return was 19.34% (27.12% with dividends, 8.33% annualized), the 5-year return was 43.57% (60.15%, 9.88%) and the 10-year return was 140.71% (204.35%, 11.77%). Intraday volatility decreased, as intraday swings (high/low) of at least 1% increased, as 15 of the 23 days moved at least 1%, up from last month's 14 of the 20 days, and down from June's 18 of 21. For August, 3 days increased 1% (5 last month and 4 the month before that), while 3 declined at least 1% (0, 6). Year-to-date, 33 were up at least 1% (24 for all of 2021), as 31 were down at least 1% (19 for 2021).

Declines were broad for The Dow (4 gainers and 26 decliners, compared with July's 23 gainers and 7 decliners), as investors reacted to quicker and higher interest rate increases, consumer spending pullback, continued inflation and the prospect of lower earnings via a slow Q4 2022 holiday season. For the month, only four issues gained, with only six positive YTD. Walt Disney (DIS) did the best, adding 5.64% for the month, as it explored a membership program for its products and services (similar to Amazon Prime). The issue had rebounded 18.73% over the past three months (best in the index), but remained down 27.64% YTD. Insurance issue Travelers (TRV) was next, up 1.85% for the month and one of the six issues up YTD, 3.33%, followed by Boeing (BA), which gained 0.06% for August, also rebounding over the three-month period (up 17.21%), but down YTD (20.40%). Walmart (WMT) was the other issue up for the month, gaining 0.38%, and down 8.39% YTD. On the other end of the scale, business customer software issue Salesforce (CRM) did the worst, falling 16.16% in August and down 38.57% YTD, the worst issue in the index for that period as well. Health Care issues fell, as Johnson & Johnson (JNJ) lost 7.55% and was down 5.69% YTD, and Unitedhealth Group (UNH), which has the largest weighting in the index (10.9%), fell 4.24% and was up 3.42% YTD. Information Technology did poorly, as Intel (INTC) declined 12.09% and was down 38.02% YTD, Microsoft (MSFT) fell 6.32% and was down 22.26% YTD, and Apple was down

3.26% and down 11.46% YTD. Of note, Energy issue Chevron (CVX) declined 3.49% (better than the index) for the month and remained up 34.69% YTD, the best issue in the index.

For the month, breadth reversed and was strongly negative, as 4 of the 30 issues gained an average of 2.11% each, compared with last month's 23 gainers (9.06%) and the prior month's 4 (3.03%). For August, no issue gained at least 10%, compared with 11 (12.77%) in July and none in June. On the downside, 26 issues declined (average -5.37%), compared with 7 last month (-4.65%) and 26 (-9.32%) the month before that. Four issues declined at least 10% this month (-12.99%), as no issue did so last month and 11 did the month before that (-15.68%). For the three-month period, breadth improved a tick but remained negative, as 7 issues gained an average of 5.50% each, compared with 11 (4.45%) last month and 6 issues (3.78%) the month before that. On the downside, 23 issues declined an average of 10.32%, while 19 issues declined (-6.62%) last month and 24 (-16.11%) the month before that. One issue gained at least 10% (21.96%), compared with none last month and 1 in June (11.12%), as 9 declined at least 10% (-17.48%), up from last month's 5 (-15.14%) and June's 5 (-19.18%). Breadth declined and remained negative YTD, as 6 issues gained an average of 10.64% each, compared with 7 (12.297%) last month and 8 issues (9.57%) the month before that; 2 issues were up at least 10% (23.04%), compared with last month's 3 (22.05%). On the downside, 24 issues declined an average of 19.28%, compared with last month's 23 (-16.07%) issues and the prior month's 22 (-22.42%); 17 issues declined at least 10% (-24.37%), compared with 14 issues last month (-23.04%) and 18 (-25.82%) the month before that. For 2021, breadth was positive, as 23 issues gained an average of 23.08% each, while 16 were up at least 10% (31.27%). On the downside, 7 issues declined an average of 6.20%, while 2 declined at least 10% (-13.04%).

S&P MidCap 400

The S&P 400® made it two months in a row as the best-performing index of the headline indices. This month, however, the "best" translated into a 3.25% decline, compared with June's 10.75% gain (its best month since November 2020's 14.12%), which was after underperforming in June (-9.78%, its worst month since -20.43% in March 2020). The declines were market influenced, as concern over the economy and profits grew and inflation continued, with the Fed now expected to increase rates by 0.75% at its Sept. 20-21, 2022, meeting. Two of the sectors gained, compared with all 11 gaining last month (and only 1 in June), as breadth turned negative (from last month's strongly positive stance). The mid-cap index's three-month return was also the best though negative, down 3.33%, while the YTD return was down 14.46%, with only The Dow's YTD return of -13.29% coming in lower. The one-year return was in the red, at 11.70%, and the two-year period posted a 26.19% gain. For the 3-, 5- and 10-year returns, the index posted gains of 29.23%, 40.45% and 150.22%, respectively (annualized with dividends, they were 10.58%, 8.71% and 11.32%, respectively).

Of the 11 sectors, 2 gained in August, compared with all 11 in July, which was a complete reversal of June, when all 11 declined (6 were up in May). Sector spread increased, as the difference between the best (Energy again, 3.64%) and worst (Real Estate, -7.41%) sectors increased to 11.05% from last month's 10.58%, and the YTD spread increased to 62.68% (54.33% last month). The 2021 spread was 66.59%, down from the 2020 spread of 76.16%. For the month, Energy again did the best, adding 3.64%, when most sectors declined, after July's broad 16.10% gain (it declined 20.55% in June), as it remains the best sector in the index YTD, up 39.39%; the sector was up 138.81% over the 2-year period, but it was down 47.54% over the 10-year period. Consumer Staples was the other positive sector, adding 2.38% for August, and down (a slight) 1.69% YTD, as Consumer Staples fell 4.31% and was down (a not so slight) 23.29% YTD, the worst sector in the index. Financials did better than most, limiting its decline to 0.59% and down 8.95% YTD. Real Estate did the worst, falling 7.41%, as expectations of a strong (or at least a significant increase in) back-to-the-office requirements in September dissipated. Health Care also underperformed, losing 4.33% in August and down 17.61% YTD.

Breadth significantly declined (as it did for most indices) and became negative, as 110 issues gained for the month, with an average increase of 7.12%, down from last month's 361 gainers (12.38%) and up from the prior month's 37 issues (5.52%). There were 27 issues that gained at least 10% (19.56%), compared with last month's 212 (17.12%) and the prior month's 5 (15.90%). In addition, 7 issues gained at least 25% (31.38%), while 23 issues (34.55%) did so in last month. On the downside, 291 issues declined an average of 7.66%, up from last month's 40 issues (-5.67%) and down from the prior month's 364 issues (-11.12%). Declines of at least 10% were posted by 81 issues (-15.63%), compared with 5 issues (-14.91%) last month and 177 (-16.82%) the month before that; 6 issues (-30.27%) fell at least 25%, while none did last month. For the three-month period, breadth also declined and became negative, as 130 issues gained (11.91%), compared with 224 (10.55%) last month, and 271 declined (-11.29%), up from the prior month's 176 (-11.327); 48 gained at least 10% (25.07%), down from last month's 93 (19.16%), and 135 declined at least 10% (-17.94%), up from 74 (-20.10%) last month. Year-to-date, breadth declined, as 92 issues gained (19.69%), compared with 104 (16.73%) last month, and 307 declined (-22.75%), up from the prior month's 295 (-19.50%); 49 gained at least 10% (32.52%), down from last month's 56 (26.86%), and 242 declined at least 10% (-27.46%), up from 214 (-24.79%) last month. For 2021, 316 issues gained (39.19%) and 80 declined (-15.27%); 270 gained at least 10% (44.91%) and 44 declined at least 10% (-23.70%). Gains of at least 25% were posted by 178 issues, as 15 issues declined at least 25%.

S&P SmallCap 600

The S&P 600® gave back half of its July gains (9.93%, its best month since November 2020's 18.02% gain), falling 4.51% in August, the worst-performing headline index. For the three-month period, the index fell 4.18%, and the YTD return was 15.53%. For the one-year return, the small-cap index did the worst, down 13.37%, while the two-year period was up 31.73%. The 3-year return was 28.87%, the 5-year period was up 40.88% and the 10-year period was up 158.56% (annualized with dividends, the 3-, 5- and 10-year returns were 10.40%, 8.65% and 11.50%, respectively). Over the longer-term 20-year period, the small-cap index's total return was 10.64% annualized (the S&P 500 was 9.74%), the best of any headline index (even as its dividend payments were the lowest).

Sector variance decreased to 7.85% from last month's 12.07% and June's 23.43%, as the three-month spread declined to 14.40% from 16.09% last month, with the YTD spread increasing to 68.52% from 66.79% last month (the 2021 spread was 53.47%, down from 2020's 71.71%). For August, only 1 of the 11 sectors gained, compared with July, when all 11 gained, and June's 1 gainer. Materials did the best (and was the only positive sector), gaining 0.73% for the month but down 6.03% YTD. Energy also did well, limiting its August decline to 0.73%, as it remained the best (and only positive) sector YTD, up 41.31%. Consumer Staples fell 0.96% and was down 7.68% YTD, as Consumer Discretionary fell 3.68% and was down 27.21% YTD, the worst-performing sector in the index. Real Estate did the worst, falling 7.11% in August (down 26.28% YTD), Information Technology declined 6.77% (-20.86% YTD) and Health Care lost 6.48% (-21.56% YTD).

For the month, breadth decreased and turned negative, as 176 issues gained an average of 8.65% each, down from last month's 515 issues (12.68%) and up from the prior month's 104 issues (6.69%). On the downside, 422 issues declined an average of 9.81% each, up from 85 issues (-7.08%) last month and down from the prior month's 497 (-11.97%). There were 47 issues that gained at least 10% (21.25%), down from last month's 279 issues (18.56%) and up from the prior month's 24 (16.13%), while 156 issues declined at least 10% (-17.51%), up from 22 issues (-16.31%) last month and down from 263 (-18.17%) the month before that. Significant gains of 25% were booked by 13 issues (35.50%), compared with 52 last month (31.78%), while 23 issues lost at least 25% (-29.84%), compared with 3 last month (-28.97%). For the three-month period, 214 issues were up (13.80%), down from last month's 320 (14.30%), as 384 were down (-14.26%), compared with 280 (-13.42%) last month. Gains of at least 10% for the three-month period numbered 109 (22.21%), down from last month's 171 (22.11%), as 218 declined at least 10% (-21.15%), up from 135 (-22.91%) last month. Gains of at least 25% were reported by 30 issues (39.13%), down from 50 (37.63%) last month, as 60 declined at least 25% (-33.16%), up from 44 (-36.42%) last month. Year-to-date, 123 issues were up (23.50%), down from last month's 148 (22.16%), as 473 were down (-25.16%), compared with 450 (-22.08%) last month. Gains of at least 10% numbered 75 (35.88%), down

from last month's 86 (35.19%), as 371 declined at least 10% (-30.56%), up from 335 (-27.94%) last month. Gains of at least 25% were reported by 37 issues (56.83%), down from 45 (51.90%) last month, as 208 declined at least 25% (-40.82%), up from 163 (-39.72%) last month. For 2021, breadth was positive, as 443 issues gained (48.77%) and 151 were down (-19.77%). Gains of at least 10% for the period numbered 377 (56.31%), while 95 declined at least 10% (-28.39%). Gains of 25% or more were reported by 282 issues, as 47 declined at least 25% (-40.12%).

S&P Global BMI

Global markets declined in August, as reality sank in that interest rates would continue to go up until central banks were satisfied that inflation was under control. The [S&P Global BMI](#) declined 3.63% and was down 3.19% absent the U.S.'s 3.94% decline, after last month's 6.89% gain, which was up 3.57% without the U.S.'s 9.28% gain (and June's broad 8.74% decline, when it returned -9.02% without the U.S.'s loss of 8.54%; May was -0.20% and up 0.04% without the U.S.'s -0.36%; April was -8.11% and -6.70% without the U.S.'s -9.09%; March was 1.70% and -0.25% without the U.S.'s 3.11%). For the three-month period, global markets were down 6.00% (-2.64% last month) and down 8.78% (-5.73%) without the U.S.'s 3.98% loss (-0.41%), as the YTD return was down 18.96% (-15.90%) and down 20.34% (-17.72%) without the U.S.'s 17.98% decline (-14.62%), with the one-year return down 18.02% (-12.93%) and down 22.24% (-18.20%) without the U.S.'s 14.85% decline (-8.94%). Longer term, the U.S. dominated, as the two-year global return was 5.09% with the U.S.'s gain of 12.02% and down 3.65% without it, while the three-year return was up 19.01% with the U.S.'s gain of 33.29% and 2.73% without it. From the U.S. presidential election on Nov. 3, 2020, it was up 7.69%, and absent the 15.43% U.S. gain, it was down 2.00%.

For August 2022, the S&P Global BMI decreased USD 2.552 trillion (up USD 4.416 trillion last month). Non-U.S. markets decreased USD 0.913 trillion (up USD 0.959 trillion), and the U.S. market decreased USD 1.639 trillion (up USD 3.456 trillion). Sector variance decreased, as only 1 of the 11 sectors gained, compared with all 11 gaining last month and no gainers the month before that. The August spread between the best (Energy, 1.74%) and worst (Real Estate, -5.64%) sectors for the month was 7.38%, down from last month's 9.79% and June's 11.89%. The YTD spread was 51.75%, up from last month's 46.95% (Energy was up 22.65% and Communication Services was down 29.10%).

Emerging markets posted their first gain after seven consecutive months of declines; they increased 1.02% in August, after July's -1.05%, June's -5.80%, May's -0.31%, April's -5.63%, March's -2.55%, February's -3.49% and January's -0.98% (December 2021 was up 1.41%), and they posted a 17.51% loss YTD. The one-year return was -21.41%, the two-year return was -6.45% and the three-year return was up 2.89%. Of the 24 markets, 12 posted a gain in August (17 in July and 1 in June). Turkey did the best, adding 19.44% for the month, up

22.94% YTD and down 4.08% for the one-year period. Pakistan was next, as it added 14.16%, was down 26.14% YTD and was down 36.21% for the one-year period, followed by Thailand, which was up 4.87% for the month, down 8.25% YTD and down 10.20% for the one-year period. Poland did the worst, falling 11.36%, as it was down 41.22% YTD and down 44.90% for the one-year period. The Czech Republic was next, posting a monthly decline of 8.75%, down 13.34% YTD and down 1.27% for the one-year period, followed by Colombia, which was down 7.36% for the month, down 15.27% YTD and down 1.27% for the one-year period.

Developed markets declined broadly, posting a consolidated 4.16% decline, after July's broad 7.88% gain, June's -9.09%, May's -0.18%, April's -8.39%, March's 2.21%, February's -2.25%, January's -5.82% and December 2021's 4.08%; excluding the U.S., developed markets returned -4.61% for August, after July's 5.23%, -10.11% in June, 0.16% in May, 7.06% in April, 0.54% for March, -1.51% in February, -5.38% in January and 4.73% in December 2021. The YTD return was -19.13% and -21.30% excluding the U.S., while the one-year return was -17.60% and -22.54% excluding the U.S. The two-year return was 6.63% and -2.67% excluding the U.S., and the three-year return was 21.20% and 2.69% excluding the U.S.

For August, only 1 of the 25 markets gained, down from July's 23, and compared with 1 in June (Hong Kong, 1.11%). Israel did the best (and was the only positive market), as it gained 4.98% for August, was down 15.84% YTD and was down 10.12% for the one-year period. Australia was next, down 0.78%, down 12.14% YTD and down 13.19% for the one-year period, followed by New Zealand, which was down 1.59% for the month, down 24.07% YTD and down 28.71% for the one-year period. Sweden did the worst, falling 10.81% for the month, down 37.80% YTD and down 38.70% for the one-year period. The Netherlands was next, down 9.92% for the month, down 33.24% YTD and down 36.22% for the one-year period, as Belgium followed, down 8.01% for the month, down 27.55% YTD and down 29.65% for the one-year period. Of note, Japan was down 2.40% for the month, down 18.34% YTD and down 21.03% for the one-year period. Canada was down 3.95% for the month, down 12.39% YTD and down 9.75% for the one-year period. Germany was down 6.62% for the month, down 33.75% YTD and down 37.39% for the one-year period, as the U.K. was down 6.94% for the month, down 17.28% YTD and down 16.63% for the one-year period.

Performance Recap

Exhibit 2: Monthly Returns

S&P 500	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Energy	611.80	2.18	-7.02	44.72	68.88	32.54	14.67
Materials	473.30	-3.67	-12.20	-16.91	-11.78	37.32	110.45
Industrials	783.36	-3.08	-1.87	-12.47	-11.15	34.60	149.08
Consumer Discretionary	1221.06	-4.72	0.94	-24.19	-16.83	71.47	240.01
Consumer Staples	758.98	-1.88	-1.71	-5.67	1.45	35.10	107.42
Health Care	1451.16	-5.88	-5.64	-11.73	-7.78	54.66	223.75
Financials	547.82	-2.18	-6.91	-15.73	-14.04	34.12	169.34
Information Technology	2364.72	-6.26	-3.59	-22.61	-15.12	133.64	383.80
Communication Services	192.55	0.00	-4.47	-28.01	-32.90	22.76	27.26
Utilities	375.93	0.07	0.06	3.36	8.38	35.58	105.12
Real Estate	261.64	-5.71	-5.35	-19.43	-12.17	28.90	75.43
S&P 500	3955.00	-4.24	-4.29	-17.02	-12.55	60.01	181.18
Dow Jones Industrial Average	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Dow Jones Industrial Average	31510.43	-4.06	-4.49	-13.29	-10.89	43.57	140.71
S&P MidCap 400	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Energy	342.10	3.64	-4.40	39.39	58.28	4.30	-47.54
Materials	615.42	-2.63	-9.32	-7.84	-4.79	31.76	130.75
Industrials	1401.85	-4.19	-1.06	-16.05	-11.45	58.25	224.38
Consumer Discretionary	1013.60	-4.31	-3.55	-23.29	-24.45	47.36	136.55
Consumer Staples	2252.91	2.38	3.36	-1.69	0.56	39.64	200.17
Health Care	2471.32	-4.33	-0.84	-17.61	-18.54	59.38	313.32
Financials	1167.25	-0.59	-3.68	-8.95	-4.69	29.92	131.30
Information Technology	3837.75	-4.01	-1.71	-19.10	-16.23	78.65	249.53
Communication Services	140.96	-4.28	-2.61	-17.12	-23.88	-16.73	-27.23
Utilities	584.08	-4.13	-3.41	-0.69	2.17	9.98	92.65
Real Estate	210.34	-7.41	-9.39	-21.73	-14.96	2.43	-
S&P MidCap 400	2431.05	-3.25	-3.33	-14.46	-11.70	40.45	150.22
S&P SmallCap 600	Price	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	5-Year (%)	10-Year (%)
Energy	364.86	-0.73	-13.07	41.31	52.55	-17.09	-68.65
Materials	643.29	0.74	-7.19	-6.03	-4.47	39.15	122.63
Industrials	1433.43	-5.14	-2.01	-12.62	-8.16	58.45	204.33
Consumer Discretionary	747.71	-3.68	-5.23	-27.21	-28.77	56.73	156.98
Consumer Staples	2423.57	-0.96	0.72	-7.68	0.08	51.11	177.98
Health Care	3388.96	-6.48	1.33	-21.56	-26.50	60.59	301.66
Financials	1046.68	-3.74	-2.85	-14.36	-9.59	12.93	90.66
Information Technology	1071.55	-6.77	-3.14	-20.86	-16.87	65.07	311.53
Communication Services	3.34	-4.84	-7.73	-22.51	-22.33	12.84	37.74
Utilities	1090.92	-4.69	-1.66	-7.80	-1.22	13.25	119.93
Real Estate	165.22	-7.11	-11.99	-26.28	-24.15	-8.02	-
S&P SmallCap 600	1183.98	-4.51	-4.18	-15.53	-13.37	40.88	158.56

Source: S&P Dow Jones Indices LLC. Data as of Aug. 31, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 3: Total Returns

Index	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	3-Year (%)	10-Year (%)
S&P 500	-4.08	-3.88	-16.14	-11.23	41.98	241.73
S&P MidCap 400	-3.10	-2.92	-13.58	-10.37	35.22	192.22
S&P SmallCap 600	-4.39	-3.80	-14.74	-12.12	34.56	196.93
S&P Composite 1500	-4.03	-3.83	-15.97	-11.20	41.38	237.27
Dow Jones Industrial Average	-3.72	-3.90	-12.01	-9.07	27.12	204.35

Source: S&P Dow Jones Indices LLC. Data as of Aug. 31, 2022. Index performance based on total return in USD. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 4: S&P Global BMI, Emerging, Sorted by August Performance

BMI Member	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	2-Year (%)	3-Year (%)
Global	-3.63	-6.00	-18.96	-18.02	5.09	19.01
Global Ex-U.S.	-3.19	-8.78	-20.34	-22.24	-3.65	2.73
Emerging	1.02	-5.84	-17.51	-21.41	-6.45	2.89
Turkey	19.44	11.86	22.94	-4.08	15.23	-2.37
Pakistan	14.16	-11.45	-26.14	-36.21	-32.99	-22.21
Thailand	4.87	-6.51	-8.25	-10.20	8.03	-16.98
Indonesia	4.46	-1.89	4.79	12.22	21.36	-4.45
India	4.31	5.73	-5.06	-3.39	52.32	57.03
Chile	3.76	-7.30	21.05	3.31	19.06	-16.19
Brazil	3.74	-12.54	2.05	-22.57	-4.21	-28.09
Egypt	3.07	-6.14	-33.38	-27.84	-29.25	-42.12
Saudi Arabia	2.42	-4.08	7.51	7.20	55.35	50.67
Qatar	2.29	1.23	10.01	15.63	27.46	21.58
Philippines	2.02	-8.96	-15.86	-14.02	0.16	-21.19
Malaysia	0.20	-5.92	-11.89	-14.62	-11.35	-13.69
China	-0.06	-4.39	-21.00	-29.05	-32.21	-8.95
Taiwan	-0.29	-13.73	-24.71	-20.72	16.01	48.87
Kuwait	-0.77	-2.26	8.99	12.15	45.71	30.37
Peru	-0.99	-14.59	-9.00	0.82	-13.87	-30.39
Hungary	-1.00	-6.07	-41.38	-48.55	-20.04	-31.71
U.A.E.	-1.31	-6.30	-0.81	8.95	59.35	25.89
Greece	-2.64	-14.24	-12.19	-17.93	22.85	-7.18
South Africa	-3.87	-15.29	-11.46	-16.59	14.82	-2.67
Mexico	-5.39	-14.34	-13.59	-15.65	32.74	5.87
Colombia	-7.36	-33.74	-15.29	-15.34	-6.48	-34.56
Czech Republic	-8.75	-16.33	-13.34	-1.27	49.86	26.41
Poland	-11.36	-23.24	-41.22	-44.90	-28.58	-33.82

Source: S&P Dow Jones Indices LLC. Data as of Aug. 31, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 5: S&P Global BMI, Developed, Sorted by August Performance

BMI Member	1-Month (%)	3-Month (%)	YTD (%)	1-Year (%)	2-Year (%)	3-Year (%)
Developed	-4.16	-6.01	-19.13	-17.60	6.63	21.20
Developed Ex-U.S.	-4.61	-9.78	-21.30	-22.54	-2.67	2.69
Israel	4.98	3.23	-15.84	-10.12	14.32	29.23
Australia	-0.78	-6.78	-12.14	-13.19	8.59	10.01
New Zealand	-1.59	-3.15	-24.07	-28.71	-21.53	-4.34
Luxembourg	-1.77	-16.46	-28.76	-36.44	15.51	0.47
Norway	-1.90	-7.88	-9.44	-6.95	18.48	19.66
Ireland	-2.07	-10.31	-29.26	-32.00	-9.81	7.36
Singapore	-2.22	-4.45	-17.27	-24.65	6.26	3.86
Japan	-2.40	-4.51	-18.34	-21.03	-7.38	-0.97
Korea	-2.72	-15.41	-27.21	-32.55	-7.07	16.11
Portugal	-3.56	-5.85	-5.69	-6.49	9.96	9.46
Finland	-3.73	-8.64	-25.43	-29.57	-10.07	8.09
Hong Kong	-3.75	-6.13	-13.25	-21.98	-11.84	-10.94
U.S.	-3.94	-3.98	-17.98	-14.85	12.02	33.29
Canada	-3.95	-9.94	-12.39	-9.75	16.24	19.56
Spain	-4.32	-16.55	-19.47	-23.47	-4.53	-19.27
Italy	-5.23	-17.26	-30.40	-29.67	-7.61	-7.40
Switzerland	-5.44	-7.80	-22.47	-19.75	-3.14	8.43
Austria	-5.93	-18.68	-34.48	-34.01	0.84	-16.51
France	-6.41	-11.39	-24.49	-22.96	0.99	-0.62
Germany	-6.62	-17.49	-33.75	-37.39	-25.38	-14.49
U.K.	-6.94	-12.06	-17.28	-16.63	4.86	-4.59
Denmark	-7.75	-6.29	-19.91	-21.01	7.00	47.61
Belgium	-8.01	-16.28	-27.55	-29.65	-17.63	-28.41
Netherlands	-9.92	-11.01	-33.24	-36.22	-0.53	19.02
Sweden	-10.81	-15.42	-37.80	-38.70	-16.69	11.37

Source: S&P Dow Jones Indices LLC. Data as of Aug. 31, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 6: Price-to-Earnings Ratios

Index	2019	2020	2021	Estimated 2022
S&P 500	20.56	30.69	19.00	18.83
S&P 500 Consumer Discretionary	24.98	46.04	26.95	31.63
S&P 500 Consumer Staples	21.21	21.72	21.61	22.06
S&P 500 Energy	28.36	-10.37	19.68	7.66
S&P 500 Financials	11.77	15.01	9.24	15.35
S&P 500 Health Care	21.36	22.86	18.58	17.10
S&P 500 Industrials	19.38	55.14	24.57	19.02
S&P 500 Information Technology	25.60	33.80	25.29	23.46
S&P 500 Materials	22.64	28.72	15.51	12.82
S&P 500 Communication Services	22.03	30.57	15.48	17.57
S&P 500 Utilities	20.97	20.46	24.60	22.83
S&P 500 Real Estate	34.33	43.17	32.66	35.36
Index	2019	2020	2021	Estimated 2022
S&P MidCap 400	21.72	31.10	15.80	13.58
S&P 400 Consumer Discretionary	20.91	30.38	10.68	11.08
S&P 400 Consumer Staples	22.96	22.04	19.00	17.69
S&P 400 Energy	-119.57	-6.25	-34210.00	11.65
S&P 400 Financials	12.58	14.37	10.34	10.78
S&P 400 Health Care	25.10	35.70	29.24	25.18
S&P 400 Industrials	21.91	35.02	19.86	14.79
S&P 400 Information Technology	35.91	50.18	26.69	19.71
S&P 400 Materials	17.45	24.55	7.24	6.97
S&P 400 Communication Services	23.38	63.53	30.58	19.28
S&P 400 Utilities	22.90	16.81	16.32	16.28
S&P 400 Real Estate	30.44	66.10	27.18	21.38
Index	2019	2020	2021	Estimated 2022
S&P SmallCap 600	33.29	-280.36	15.95	14.06
S&P 600 Consumer Discretionary	17.52	30.33	7.85	8.09
S&P 600 Consumer Staples	27.06	19.37	20.40	17.82
S&P 600 Energy	-4.61	-0.97	83.88	8.65
S&P 600 Financials	14.58	25.69	9.56	11.66
S&P 600 Health Care	284.78	160.03	41.23	51.61
S&P 600 Industrials	20.05	34.11	15.97	11.42
S&P 600 Information Technology	54.99	61.15	29.39	22.02
S&P 600 Materials	22.69	46.89	18.45	11.40
S&P 600 Communication Services	1071.39	-2171.53	30.36	25.69
S&P 600 Utilities	29.67	25.47	24.26	25.66
S&P 600 Real Estate	34.23	1416.00	32.52	33.11

Source: S&P Dow Jones Indices LLC. Data as of Aug. 31, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 7: Operating EPS Changes

Index	Q3 2021 over Q3 2020 (%)	Q4 2021 over Q4 2020 (%)	Q1 2022 over Q1 2021 (%)	Q2 2022E over Q2 2021 (%)	Q3 2022E over Q3 2021 (%)	2021 over 2020 (%)	2022E over 2021 (%)
S&P 500	37.26	48.59	4.11	-9.76	7.30	70.15	0.85
S&P 500 Consumer Discretionary	-10.78	53.33	-41.01	-21.82	15.91	60.13	-14.79
S&P 500 Consumer Staples	-0.43	19.95	6.75	-9.49	-4.08	9.54	-2.02
S&P 500 Energy	675.76	246.78	324.40	347.48	123.58	212.69	157.03
S&P 500 Financials	6.48	11.61	-27.16	-78.33	-16.19	81.39	-39.79
S&P 500 Health Care	41.28	38.07	7.65	5.95	3.71	34.80	8.67
S&P 500 Industrials	93.72	181.13	33.62	21.45	27.49	134.58	29.20
S&P 500 Information Technology	44.92	18.69	16.99	-3.06	4.93	37.93	7.79
S&P 500 Materials	109.11	54.39	55.31	15.35	12.08	92.31	20.94
S&P 500 Communication Services	56.92	54.19	-10.00	-17.46	-14.05	71.35	-11.90
S&P 500 Utilities	-2.46	-21.88	-1.30	-0.32	13.87	-2.05	7.79
S&P 500 Real Estate	107.14	58.00	37.58	-10.85	-12.32	51.99	-7.62
Index	Q3 2021 over Q3 2020 (%)	Q4 2021 over Q4 2020 (%)	Q1 2022 over Q1 2021 (%)	Q2 2022E over Q2 2021 (%)	Q3 2022E over Q3 2021 (%)	2021 over 2020 (%)	2022E over 2021 (%)
S&P MidCap 400	93.10	59.40	19.72	26.51	20.06	107.42	16.34
S&P 400 Consumer Discretionary	49.76	60.18	4.33	-8.32	-3.64	176.76	-3.64
S&P 400 Consumer Staples	5.44	-12.41	7.55	5.75	2.87	24.49	7.43
S&P 400 Energy	-10.45	348.22	-1021.51	474.15	236.98	99.96	293800.00
S&P 400 Financials	96.67	31.47	-8.05	-11.99	18.06	64.93	-4.08
S&P 400 Health Care	12.95	-1.94	32.40	8.07	4.40	11.86	16.15
S&P 400 Industrials	75.31	66.26	52.62	41.54	23.01	88.62	34.28
S&P 400 Information Technology	61.88	43.59	30.58	11.60	50.13	72.29	35.43
S&P 400 Materials	373.52	218.31	110.23	28.11	-30.17	307.33	3.77
S&P 400 Communication Services	12.20	2480.00	356.25	128.30	37.68	65.23	58.57
S&P 400 Utilities	68.10	-32.40	31.54	-20.56	-43.25	18.56	0.25
S&P 400 Real Estate	775.00	173.74	116.41	47.88	7.62	149.68	27.13
Index	Q3 2021 over Q3 2020 (%)	Q4 2021 over Q4 2020 (%)	Q1 2022 over Q1 2021 (%)	Q2 2022E over Q2 2021 (%)	Q3 2022E over Q3 2021 (%)	2021 over 2020 (%)	2022E over 2021 (%)
S&P SmallCap 600	99.77	96.80	-2.26	35.01	32.93	1960.90	13.39
S&P 600 Consumer Discretionary	87.25	41.88	15.24	-6.69	-18.08	283.87	-2.88
S&P 600 Consumer Staples	12.56	-13.75	-3.52	7.85	17.44	11.22	14.49
S&P 600 Energy	59.25	378.44	-348.30	436.65	304.22	102.59	869.20
S&P 600 Financials	4.68	-13.27	-19.05	-37.79	-19.57	185.75	-18.03
S&P 600 Health Care	40.17	41.03	52.00	-94.06	15.27	221.93	-20.10
S&P 600 Industrials	103.08	105.77	119.37	44.10	30.05	133.23	39.82
S&P 600 Information Technology	40.63	44.72	-9.83	-11.84	72.79	108.34	33.46
S&P 600 Materials	104.38	116.09	106.36	97.17	21.14	180.45	61.85
S&P 600 Communication Services	200.00	0.00	300.00	-80.00	33.33	-	18.18
S&P 600 Utilities	-39.95	-9.99	-8.78	-14.99	-14.83	18.65	-5.45
S&P 600 Real Estate	62.50	214.29	279.31	37.65	12.31	3807.69	-1.77

Source: S&P Dow Jones Indices LLC. Data as of Aug. 31, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 8: Breadth of Change (Issues with Monthly Price Changes as Described by Type)

S&P 500						
Type	August 2022	Average % Change	3-Month	Average % Change	YTD	Average % Change
Up	132	4.01	136	7.21	116	17.29
Down	369	-6.32	367	-10.00	385	-22.28
Up >= 10	8	16.43	35	16.73	56	31.04
Down <= -10	71	-13.51	166	-16.40	309	-26.47
Up >= 25	0	0.00	5	33.40	26	47.24
Down <= -25	0	0.00	20	-28.68	156	-34.92
Up >= 50	0	0.00	1	53.84	10	66.47
Down <= -50	0	0.00	0	0.00	9	-55.22
S&P MidCap 400						
Type	August 2022	Average % Change	3-Month	Average % Change	YTD	Average % Change
Up	110	7.12	130	11.91	92	19.69
Down	291	-7.66	271	-11.29	307	-22.75
Up >= 10	27	19.56	48	25.07	49	32.52
Down <= -10	81	-15.63	135	-17.94	242	-27.46
Up >= 25	7	31.38	18	42.02	25	49.38
Down <= -25	6	-30.27	21	-30.43	119	-37.43
Up >= 50	0	0.00	5	65.16	8	74.71
Down <= -50	0	0.00	1	-50.04	14	-58.52
S&P SmallCap 600						
Type	August 2022	Average % Change	3-Month	Average % Change	YTD	Average % Change
Up	176	8.65	214	13.80	123	23.50
Down	422	-9.81	384	-14.26	473	-25.16
Up >= 10	47	21.25	109	22.21	75	35.88
Down <= -10	156	-17.51	218	-21.15	371	-30.56
Up >= 25	13	35.50	30	39.13	37	56.83
Down <= -25	23	-29.84	60	-33.16	208	-40.82
Up >= 50	2	70.06	5	66.86	13	97.72
Down <= -50	0	0.00	3	-54.87	47	-61.06
Dow Jones Industrial Average						
Type	August 2022	Average % Change	3-Month	Average % Change	YTD	Average % Change
Up	4	2.11	7	5.50	6	10.64
Down	26	-5.37	23	-10.32	24	-19.28
Up >= 10	0	0.00	1	21.96	2	23.04
Down <= -10	4	-12.99	9	-17.48	17	-24.37
Up >= 25	0	0.00	0	0.00	1	34.69
Down <= -25	0	0.00	1	-28.14	9	-32.36
Up >= 50	0	0.00	0	0.00	0	0.00
Down <= -50	0	0.00	0	0.00	0	0.00

Source: S&P Dow Jones Indices LLC. Data as of Aug. 31, 2022. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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