



Market Update – May 2022

Despite new 52-week lows for major US indices during the month, and the continuation of volatility into the first half of the month with a semblance of the stagflation narrative rearing its head, markets ended largely flat. Similarly, global markets ended little changed as the world grappled with inflation and potential faster central bank tightening while balancing the impacts of the ongoing war in Ukraine and Covid restrictions in China. This was impactful for growth stocks that continued to struggle in an environment of margin compression and valuation adjustments. Commodities were supported by gains in oil and wheat, with energy names performing best amongst equities. The Fed delivered in line with market expectations for a 50bp increase in rates with a further two 50bp hikes priced in for the June and July meetings, which are likely to be delivered at a time where inflation prints have come in above expectations.