



The Lyttle Company

Registered Investment Advisory LLC

NEWSLETTER

Fall 2022-
November 1, 2022

Summary

- Economic News – The Fed is no longer giving forward guidance to precise changes to the federal funds rate and continues to phase out asset purchases.
- Market Events – The S&P 500 lost 16.08% over the past year.

www.thelyttlecompany.com

John Lyttle, III
President & CEO

Disclaimer:

The information provided here is not to be relied on as investment advice. It is purely educational. Although best efforts are made to ensure all information is accurate and up to date, occasionally unintended errors and misprints may occur.

Economic News

The US Real GDP increased at an annual rate of 2.6% in the third quarter of 2022.

Inflation measured in the 12-month Consumer Price Index (CPI) percentage change was 8.2% in September 2022. The Personal Consumption Expenditure Price Index (PCE) change was 6.2% in September 2022. The Fed's objective for inflation continues to remain at a 2 percent average and they expect to return to this level over time.

The Fed sees continued strength in the labor market. Inflation is continuing well above their 2% longer run goal. They reestablish the state the economy will no longer need sustained high levels of monetary support and therefore proceed to reduce their holdings of Treasury securities and agency debt and agency mortgaged-backed securities. The target range will be raised for the federal funds rate in the future but again no more precise forward guidance will be given.

The US Dollar maintained stability with the US Dollar Index increasing to 111. Oil prices have come down to \$88 a barrel.

Market Events

The S&P 500 closed yesterday 16.08% lower from a year ago. The 10-year treasury rate is at 4.06%.