



# The Lyttle Company

Registered Investment Advisory LLC

## NEWSLETTER

Summer 2022-  
July 30, 2022

### Summary

- Economic News – The Fed is no longer giving forward guidance to precise changes to the federal funds rate and continue to phase out asset purchases.
- Market Events – The S&P 500 lost 6.03% over the past year.

[www.thelyttlecompany.com](http://www.thelyttlecompany.com)

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### 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 decreased at an annual rate of 0.9% in the second quarter of 2022.

Inflation measured in the 12-month Consumer Price Index (CPI) percentage change was 9.1% in June 2022. The Personal Consumption Expenditure Price Index (PCE) change was 6.8% in June 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 now 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 no more precise forward guidance will be given.

The US Dollar maintained stability with the US Dollar Index increasing to 105. Oil prices have remained elevated at \$98 a barrel.

### Market Events

The S&P 500 closed Friday 6.03% lower from a year ago. The 10-year treasury rate is at 2.66%.