



505.243.2281 — WWW.CROWFA.COM

AUGUST/SEPTEMBER MARKET COMMENTARY

By Tom Crow
September 23, 2022

Index	Month End	Gain (Loss) by Period (ending August 31)			
		Month	Most Recent Quarter	Year-to-Date	Trailing Twelve Months
Dow Industrials	31,510	(4.1%)	(4.5%)	(13.3%)	(10.9%)
S&P 500	3,955	(4.2%)	(4.3%)	(17.0%)	(12.6%)
Nasdaq	11,816	(4.6%)	(2.2%)	(24.5%)	(22.6%)
Gold	1,715.90	(2.1%)	(6.7%)	(5.3%)	(5.5%)
Silver	17.95	(10.6%)	(17.6%)	(21.6%)	(25.4%)

Look out below! The indices closed out the month of August with losses in every category and have become even more negative since. 2021 saw the Dow, S&P 500 and Nasdaq return 19%, 27% and 21%, respectively. Currently, the year-to-date losses are 19%, 23% and 31%, and declining. Sorry...I do usually try to share more-encouraging news, but there just aren't a lot of silver linings to be found right now.

We finished last month's Commentary saying our indicators were holding onto a slightly-positive bias. That is no longer the case. They are now negative and forecasting continued volatility and lower lows for the near-term. Perhaps we'll see some stability after the November elections, but there's not much expected to happen between now and then that's likely to change things.

The Federal Reserve this week did exactly what they told the whole world they were going to do and raised rates by another 0.75%. Speculators, traders and computer algorithms sent the indices on a wild ride following the announcement, but they finished solidly lower with sellers swamping buyers into the close.

Putin's handling of the fiasco he's created in Ukraine took an ugly turn as he committed 300,000 more unwitting troops to the effort via conscription. Meanwhile, women in Iran and the men who support them are beginning to speak out and even demonstrate in Iran against the so-called "Morality Police" who killed a 22-year-old protester in their custody last week. Dozens, if not hundreds of cell phone videos of protests and the violent reactions to them are going viral while global news agencies appear to be completely clueless...or intentionally silent.

Elsewhere in economic numbers, leading indicators are mixed and certainly don't warrant widespread selling, but the indicators don't matter when speculators react the way they have over rates being raised to where they're still more than a full percentage point below the historical average. Apparently, the entire developed world has become addicted to free money, which actually explains a lot of the current situation quite well.

If this were really all about inflation fears, it would be easier. We'd just hunker down in metals, commodities, utilities and other defensive stocks and just ride it out, but guess what? They're getting killed, too!

The technical indicators we watch are hinting at more downside ahead. We're not going to join in the panic, but we will be reducing risk, building up cash and holding fixed income. This is obviously not yet the time to speculate on the timing of a turnaround. Please don't hesitate to call or email if you have specific questions.