

# **SURGANT FINANCIAL GROUP**

## **MID-YEAR MARKET COMMENTARY 2022**

Dear Clients and Friends,

At this time, we believe we are seeing some stabilization of what we find to be the three factors that have contributed the most to the current “bear market” environment. These are expected interest rates, inflation and business earnings/profitability. At this time, we see anticipated interest rates peaking. Many key commodity and semi-finished product prices are dropping in response to lower anticipated demand and, perhaps, increased supply as well. This could have a positive impact to lower inflation. Although corporate earnings growth could be a “dark cloud on the horizon”, we note from recent reports that many individuals, companies and the banking system as a whole are generally in a stronger financial position than in past economic recessions and bear market environments. We believe these circumstances may be leading to stabilization of the financial markets.

The decline in account values this year has not been a pleasant experience but this, in the context of a bear market, is a useful “reality check” on the structure and durability of your portfolio vis a vis the overall market benchmarks, the S&P 500 (down around 20% in the first half of the year) and the NASDAQ Composite (down more than 28% in the same period). The relatively larger pullback in portfolio values we saw in June we find to be the result of a pullback of stock prices in the large cap value sector, an area we have focused on over the years and which also includes the energy and natural resources industries.

As we review your portfolios, we find that they are generally well structured to weather the “financial hurricane” we are going through and the bottom line is that we believe we are currently on the back side of that hurricane. Please give us a call anytime if you would like to review your portfolio in the context of the general market and also to review your overall goals and objectives. As always, please don’t hesitate to call us whenever you have any questions or concerns. Our mission is to provide timely investment advice, steady guidance, appropriate portfolio structuring and accessibility regardless of market conditions. Please see the back side of this page for a broad sketch of the services we provide, what we can do for you. We look forward to being in touch on an ongoing basis.

Best wishes for the summer,

**Stephanie Taylor Schulz**  
*Financial Advisor Associate*  
[taylorism@stifel.com](mailto:taylorism@stifel.com)  
(314) 292-6215

**John M. Surgant, Jr.**  
*Senior Vice  
President/Investments*  
[surgantj@stifel.com](mailto:surgantj@stifel.com)  
(314) 292-6212

**John T. (J.T.) Surgant**  
*Client Relationship Manager*  
[surgantjt@stifel.com](mailto:surgantjt@stifel.com)  
(314) 292-6216

Please check out our website: [www.surgantfinancial.com](http://www.surgantfinancial.com)