



VICTORY PARTNERS

MIDDLE MARKET INSIGHT

What Business Owners Need To Know

WSJ SURVEY

FOUND THAT 3 OUT OF 58 ECONOMISTS BELIEVE THE U.S. ECONOMY HAS A +50% FALL INTO A RECESSION IN THE NEXT 12 MONTHS

U.S. STIMULUS

STILL IS WORKING ITS WAY THROUGH THE SYSTEM SETS UP FOR A MUCH HIGHER PROBABILITY OF A 2023-2024 RECESSION

BENCHMARK

U.S. CRUDE OIL FOR JUNE DELIVERY IS NOW AT \$109.11 A BARREL

GOLD IN JUNE

NOW SITS AT \$1843.70 AN OUNCE

COPPER FELL

6 CENTS TO \$4.18 A POUND

51%

PROFIT FALLS 51% TO \$1.01 BILLION

ADJ. PROFIT

OF \$2.19/SHARE MISSES ESTIMATES OF \$3.92

AT \$159

SHARES TOUCH MORE THAN 18-MONTH LOW

Recession or Not

- “Moving to the more accurate reports, ‘The Fed Has Made a U.S. Recession Inevitable,’ according to the headline of an article by former New York Federal Reserve president Bill Dudley. He actually said that avoiding a recession was technically possible but highly unlikely. So ‘inevitable’ is close to his position, but not exactly his view. Timing of the next recession goes unmentioned in Dudley’s article.”
- Three of the 58 economists polled thought the probability was more than 50%, or around 5%. Another three analysts predict a 50 percent chance of a recession. The most pessimistic (North Carolina A&T State University’s Alfredo A. Romero) estimated the risk at 75%, which is considerable, but far from a certainty.
- A business leader’s best path is to maintain a skeptical attitude toward forecasters and a modest attitude toward one’s own opinions. Keep an eye on the economic problems that matter most to your company. Look at GDP, but concentrate on consumer spending, home starts, or business capital spending orders. Whatever aspect of the economy affects your company.

Closing Prices For Crude Oil, Gold & Other Commodities

- Benchmark U.S. crude oil for June delivery fell \$2.81 to \$109.59 a barrel Wednesday. Brent crude for July delivery fell \$2.82 to \$109.11 a barrel.
- Wholesale gasoline for June delivery fell 22 cents to \$3.72 a gallon. June heating oil fell 13 cents to \$3.67 a gallon. June natural gas rose 7 cents to \$8.37 per 1,000 cubic feet.
- Gold for June delivery fell \$3 to \$1,843.70 an ounce. Silver for July delivery fell 21 cents to \$21.54 an ounce and July copper fell 6 cents to \$4.18 a pound.

Target Shares Fall

- The disappointing results came a day after larger rival Walmart Inc (WMT.N) lowered its annual profit forecast and saw its stock drop to its lowest level since 1987, despite both stores reporting better-than-expected quarterly sales.
- Target’s quarterly gross margin fell to 25.7 percent from 30 percent, as consumers spent more on food and household staples rather than high-margin discretionary products like television sets and apparel due to four decades of rising inflation.
- The retailer’s shares were on track to lose roughly a fifth of their \$100 billion market capitalization after its adjusted earnings per share of \$2.19 fell short of analysts’ expectations of \$3.92 for the three months ended April 30.

Sources: www.forbes.com | www.apnews.com | www.reuters.com