



VICTORY PARTNERS

MIDDLE MARKET INSIGHT

What Business Owners Need To Know

\$243B

CENTRAL BANK UPPED ITS FORECAST FROM \$145B, OWING TO HIGHER EXPORTS AND LOWER IMPORTS

8%

RUSSIAN POLICY MAKERS LOWERED THEIR BENCHMARK FROM 9.5%

47.5

S&P GLOBAL COMPOSITE PURCHASING MANAGERS OUTPUT INDEX SLID 4.8 POINTS TO 47.5

75 BP

THE FEDERAL RESERVE IS EXPECTED TO HIKE RATES BY ANOTHER 75 BASIS POINTS NEXT WEEK

70,000

CALIFORNIA TRUCK DRIVERS WORK AS INDEPENDENT OWNERS AND OPERATORS

2021

CALIFORNIA VOTERS PASSED THE MEASURE, PROPOSITION 22, BUT LAST YEAR IT WAS RULED UNCONSTITUTIONAL

Kyiv's Grain Exports Unlocked; Russia Cuts Rates

- Officials from Russia and Ukraine signed parallel agreements with Turkey and the United Nations for the transit of millions of tonnes of Ukrainian grain through Black Sea ports for an initial three-month period.
- Three ports -- Odesa, Chernomorsk and Pivdennyi -- will be covered by the pacts, UN Secretary-General Antonio Guterres said at a signing ceremony in Istanbul. Defense Minister Sergei Shoigu represented Russia at the event.
- Russia's central bank made a surprise cut to interest rates to below their level before the invasion of Ukraine five months ago. The ruble weakened in response.

Business Activity Deteriorates Globally as Recession Fears Mount

- In the US, S&P Global's July survey of purchasing managers showed business activity contracted for the first time in more than two years. In the euro area, the composite index registered its worst reading since the pandemic lockdowns of early 2021. Figures from Japan and Australia also deteriorated in the month, though remained in expansionary territory.
- Central banks worldwide are aggressively raising interest rates in an attempt to tame rampant inflation. Earlier this week the European Central Bank increased interest rates for the first time in more than a decade, & the Federal Reserve is expected to hike rates by another 75 basis points next week.
- The surging cost of living -- from food to gas to rent -- has eroded consumers' ability to keep spending on goods and services. The challenge of cooling the economy enough to stem inflation but not so much as to tip into recession is becoming increasingly difficult.

Truckers' Protest Over Assembly Bill 5

- For days, a convoy of truckers has blocked the roads that serve the Port of Oakland, crippling a major West Coast cargo hub already hampered by global supply chain disruptions.
- The truckers, primarily independent owners and operators, are demonstrating in opposition to Assembly Bill 5, a law passed in 2019 that requires gig workers in several industries to be classified as employees with benefits, including minimum wage and overtime pay.
- Proponents of the law say the companies could simply take the drivers on as full- or part-time employees and continue to offer them flexible schedules. A majority of port truckers in California are independent operators and do not work for a single company. A smaller number of drivers are unionized and are represented primarily by the Teamsters.

Sources: www.bloomberg.com | www.nytimes.com | www.wsj.com

