



VICTORY PARTNERS

MIDDLE MARKET INSIGHT | What Business Owners Need To Know

\$280 BILLION
PACKAGE OF SUBSIDIES
& RESEARCH FUNDING

Senate Bill to Boost Chip Production, Advanced Technology Set to Move Ahead

- The Senate is set to vote to advance a \$280 billion package directed at ramping up the US's competitiveness in advanced technology and chip manufacturing. The bill is a response to China's "growing technology dominance, which poses threat to our national security".
- The bill also includes \$200 billion in spending for federally backed scientific research over the next 10 years. House leaders are aiming "to piece together their own bipartisan coalition" to have the bill sent to the President ahead of midterms.
- The funding is aimed to uplift the US's dwindling research spending, which by many estimates is at its lowest since "before the space race of the 1960s". Areas expected to be bolstered are quantum computing, artificial intelligence as well as semiconductor manufacturing

\$52 BILLION
IN SUBSIDIES TO BOOST
SEMICONDUCTOR
PRODUCTION

\$24 BILLION
IN ADVANCED
MANUFACTURING TAX
CREDITS

Gold Miner Newmont Profit Slumps on Lower Gold Prices

- Newmont Corp announced a significant profit drop in its second-quarter adjusted profit due to tumbling gold prices. Analysts estimated a profit of 63 cents per share, but Newmont's earnings came in at 46 cents per share.
- Bullion prices are experiencing their worst quarter since early 2021, down about 7% in the three months ended June. The recent rate hikes from central banks to combat inflation have slowed the appeal of non-yielding assets like gold.
- All-in sustaining cost is an industry metric that reflects all expenses associated with the production of gold. This cost has risen from \$1,035 per ounce of gold to \$1,199 per ounce in recent months. Production cost increases are widely related to labor, energy and broad inflationary pressures.

41% DROP
IN PROFIT IN Q2

BULLION PRICES
DOWN
7% IN THE 3 MONTHS
ENDED JUNE

15.8% INCREASE
IN PRODUCTION COSTS

U.S. Stocks Struggle For Direction as Investors Await Earnings Wave And Wednesday's Fed Decision

- Monday morning traders appeared reluctant to make bold decisions awaiting multiple earnings reports. Among the 175 S&P 500 companies reporting in the coming week are Apple, Alphabet, Microsoft and Amazon.
- The Federal Reserve rate decision this Wednesday also had traders cautious. Investors are expecting the central bank to increase borrowing costs by 75 basis. Investors are awaiting the announcement to see how the Fed will handle the pace of future hikes. The uncertainty "is likely to keep volatility elevated".
- Accounting for the S&P 500 companies having reported thus far, the Q2 blended earnings growth rate for the index is 4.8%. If this remains, it will mark the lowest growth of the index since Q4 2020.

DOW JONES
UP 0.2%

S&P 500 DOWN
NEARLY 17% YTD

21% OF S&P 500
COMPANIES HAVE
REPORTED EARNINGS

Sources: www.wsj.com | www.reuters.com | www.marketwatch.com