



# VICTORY PARTNERS

## MIDDLE MARKET INSIGHT

## What Business Owners Need To Know

### WEAKEST AUGUST PERFORMANCE

IN 7 YEARS REPORTED BY WALL STREET'S MAIN INDEXES

### INDEXES DOWN:

DOW 0.85%, S&P 1.12%, NASDAQ 1.59%

### TRADERS RAISE EXPECTATIONS

FOR A THIRD STRAIGHT 75 BASIS POINTS INCREASE IN RATES IN SEPTEMBER

\$400MM

### QUARTERLY SALES

IN JEOPORDY, NVIDIA CLAIMS

\$5.9B SALES

PROJECTED THIS QUARTER

SHARE FELL 5%

IN AFTER-HOURS TRADING WEDNESDAY

### MOST VALUABLE MEMORABILIA

EVER SOLD AT AN AUCTION

\$38.2MM REVENUE AT THE "SUMMER PLATINUM NIGHT SPORTS AUCTION"

### SPORTS MEMORABILIA MARKET

GREW EXPONENTIALLY DURING PANDEMIC

### Wall Street slides for fifth straight day on rate hike jitters

- US stock indexes fell Thursday as signs of a tight labor market points in favor to the Federal Reserve's bold approach, raising bond yields and pressuring high growth stocks. The 10-year Treasury yields rose to its highest level since June, while technology stocks like Apple, Amazon and Tesla fell between 0.3% and 1.8%
- Due to strong demand for workers, the weekly jobless claims fell last week, and layoffs dropped in August. Manufacturing grew steadily in August due to the employment rebound. This Friday the monthly nonfarm payroll reports will be released, which will give investors more insight to the labor market.
- The S&P 500 dropped 9.6% since its four-month high in August. Its losses are attributed to Fed Chair Jerome Powell's aggressive rate hikes.

### Nvidia Warns of Sales Hit From New U.S. Chip Licensing Requirements for China

- The US recently imposed new licensing requirements on shipments of advanced chips, AI software and other high-performance computing hardware to China. The new requirements come at a difficult time for chip makers as demand for computers, video games and other "gadgets" has slowed due to rising inflation.
- Nvidia had revenue of \$6.7B in Q2, missing the forecasted \$8.1B amid a 33% drop in gaming industry revenue. Intel reported a loss in Q2 and cut its year end forecast due to the "slump" in laptop purchases and other product delays.
- The US Commerce Department claims the policy is to "prevent China from acquiring American technology to advance its military and engage in other activities the US opposes". Similarly, President Biden's recent push to increase chip manufacturing prohibits grant recipients from building advanced facilities in China.

### Topps Mickey Mantle Baseball Card Sells for \$12.6 Million

- A mint condition 1952 Mickey Mantle rookie baseball card sold for \$12.6MM over the weekend, making it the most expensive piece of sport memorabilia sold at an auction in history. Chris Ivy, director of sports auctions at Heritage Auctions said, "It will not be the last piece to achieve eight figures".
- Alternative asset classes such as sports memorabilia, NFTs and cryptocurrency have become increasingly popular in recent years. Additionally, today's collectors who grew up in the sports boom of the 1990s are more comfortable investing in assets "beyond equities and real estate properties".
- At Heritage Auction's Summer Platinum Night Sports Auction in Texas, 40 other valuation records were broken in various categories. "The fundamentals for the sports collectables market remain strong," Ivy added.

Sources: [www.reuters.com](http://www.reuters.com) | [www.wsj.com](http://www.wsj.com) | [www.barrons.com](http://www.barrons.com)