**WEEKLY HEADLINES**

**Dip Buyers Trim Average SPX Recovery Times to < 3 Days**

The inclination to buy the market’s dip has never been as pronounced as it is this year. The average time for the SPX to recover from 2-sigma shocks (standard deviation multiplied by 2) is at an all-time low 2.6 days. This is according to data from the BofA Global Research based on data dating back to 1928 and published Friday by The Daily Shot (see chart bottom right).

Of the 20 fastest recovery periods, seven have occurred after the Great Financial Crisis. Buying stocks on a price decline was characterized as “buying the dip” as early as 2010, according to a 2017 StockTwits post. It “isn’t so much a strategy; [it’s] a bullish anthem, battle cry and way of life” that originated among traders. The “attitude and a mentality when confronting pullbacks in the market” has since hit the mainstream of retail investors, as suggested by the dip buyers trimming average SPX recovery times to less than 3 days.

**Economic Releases vs. Consensus (week of 7/26)**

**Durable Good Orders: 0.8% vs. 2.1%**

Fed Meeting: no change

**GDP Growth Q2: 6.5% vs. 8.5%**

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Definitions and Disclosures

The Nontraditional Bond category contains funds that pursue strategies divergent in one or more ways from conventional practice in the broader bond-fund universe. Multistrategy portfolios offer investors exposure to two or more alternative investment strategies, as defined by Morningstar’s alternative category classifications, through either a single-manager or multi-manager approach. Macro Trading strategies, using either systematic or discretionary methods, look for investment opportunities by studying such factors as the global economy, government policies, interest rates, inflation, and market trends. Systematic Trend funds primarily trade liquid global futures, options, swaps, and foreign exchange contracts, both listed and over-the-counter. Commodity basket strategies invest in a diversified basket of commodity goods including but not limited to grains, minerals, metals, livestock, cotton, oils, sugar, coffee, and cocoa. Commodity Precious Metals strategies primarily use an options overlay to generate income while maintaining significant exposure to equity market risk. Energy Limited Partnership strategies invest a significant amount of their portfolio in energy master limited partnerships, also known as MLPs. Relative Value Arbitrage strategies seek out pricing discrepancies between pairs or combinations of securities regardless of asset class. Equity Market Neutral strategies attempt to profit from long and short stock selection decisions while minimizing systematic risk created by exposure to factors such as overall equity market beta, sectors, market-cap ranges, investment styles, or countries. Event-driven strategies attempt to profit when security prices change in response to certain corporate actions, such as bankruptcies, mergers and acquisitions, emergence from bankruptcy, shifts in corporate strategy, and other atypical events. Real Estate portfolios invest primarily in real estate investment trusts of various types. REITs are companies that develop and manage real estate properties. Convertible-bond portfolios are designed to offer some of the capital-appreciation potential of stock portfolios while also supplying some of the safety and yield of bond portfolios. Options trading strategies use a variety of options trades, including put writing, options spreads, options-based hedged equity, and collar strategies, among others. Derivative Income strategies primarily use an options overlay to generate income while maintaining significant exposure to equity market risk. Long-Short Equities funds hold sizeable stakes in both long and short positions in equities, exchange traded funds, and related derivatives. Infrastructure equity funds invest more than 60% of their assets in stocks of companies engaged in infrastructure activities. Industries considered to be part of the infrastructure sector include: oil & gas midstream; waste management; airports; integrated shipping; railroads; shipping & ports; trucking; engineering & construction; infrastructure operations; and the utilities sector. The S&P 500 Index is considered generally representative of the U.S. equity market. The MSCI World Index is considered generally representative of the market for developed market equities. The MSCI Emerging Markets Index is a free float adjusted market capitalization index cited as a measure of the performance of emerging market equities. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The Russell 3000 Index measures the performance of 3,000 publicly held US companies based on total market capitalization, which represents approximately 98% of the investable US equity market. The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe and includes approximately 2000 of the smallest securities based on a combination of their market capital and current index membership. The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe and includes approximately 1000 of the largest securities based on a combination of their market capital and current index membership. The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe and includes approximately 800 of the smallest securities based on a combination of their market capital and current index membership. The ICE BofA U.S. High Yield Master II Index tracks the performance of U.S. dollar denominated below investment grade rated corporate debt publicly issued in the U.S. domestic market. The Bloomberg Barclays Capital U.S. Aggregate Bond Index covers the U.S.-denominated, investment-grade, fixed-rate, taxable bond market based on total market capitalization. The Bloomberg Barclays U.S. Corporate Bond Index measures the performance of the mid-cap segment of the U.S. equity universe and includes approximately 800 of the smallest securities based on a combination of their market capital and current index membership. The ICE BofA Global 300 Cv Index (VXAA) is comprised of approximately 700 issues of only convertible bonds and preferededs of all qualities. Source ICE Data Indices, LLC, used with permission. 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Oil - West Texas Intermediate (WTI - Cushing): A crude stream produced in Texas and southern Oklahoma which serves as a reference or “marker” for pricing a number of other crude streams and which is traded in the domestic spot market at Cushing, Oklahoma. Gasoline: Weighted average based on sampling of approximately 900 retail outlets, 8:00AM Monday. The price represents self-service unless only full-service is available and includes all taxes. Gold - Gold Fixings Price: The Fixings are an open process at which market participants can transact business on the bases of a single quoted price. Orders can be changed throughout the proceedings as the price is moved higher and lower until such time as buyers’ and sellers’ orders are satisfied and the price is said to be ‘fixed’. Orders executed at the fixings are conducted as principal-to-principal transactions between the client and the dealer through whom the order is placed.