

Recession Takes A Peek

July 31, 2022 • Vol. 7



Fed raises interest rates for the second month in a row

+4.25%

Index Recap

The index rose this week on better than expected earnings from Apple & Amazon, and a possibility the Fed may need to reduce its aggressive rate hikes to combat negative GDP growth.

Our top 3 scoops this week

1. The Fed raised rates by 0.75% but gold says it's too late

The print is in; the Fed raised interest rates by 75 bps for the second month in a row to slow down the economy and curb inflation. But with the US GDP down 0.9% for the second consecutive quarter, signaling a recession, investors are convinced that the Fed will reverse course. In fact, gold prices rose to a more than two-week high on Thursday as gold's appeal increased among buyers on alleviated fears over rate hikes. The intriguing thing is that the economy is deteriorating quickly. Increased unemployment claims, a negative impact of inflation on consumers and firms, and rising interest rates are taking a toll on economic growth. [Will the US economy print a third consecutive quarter of negative growth?](#)

2. Tech giants Amazon, Google and Apple reported strong earnings

Forecast-topping earnings announcements from Google, Amazon, and Apple have left investors rejoicing despite the economy's questionable state. In 2021, Amazon reported ad revenue of \$31.2 billion, similar in scale to the global newspaper industry. The ecommerce giant did not disappoint - Amazon's strong performance sent shares up as much as 11.5% in Friday's trade on hopes that it will be able to withstand a global recession better than counterparts. Google, on the other hand, posted its slowest ad sales growth in 2 years, but its cloud unit saved the day, surpassing \$6 billion in quarterly revenue. Apple also reported record revenue of \$83 billion despite high inflation, as its iPhones continue to sell like hot cakes. The company also reassured investors of easing supply chain issues with covid restrictions starting to loosen. [Is big tech immune to global recessionary pressures?](#)

3. Tiktok copycats Meta and Snap struggle to get in on their competitor's action

Tiktok's enormous success has Meta and Snap shaking in their boots. Meta reported its first ever revenue drop and provided a muted forecast on online advertising as it deals with increased competition from the video-sharing app. It also doesn't help that Instagram's new layout, designed to mimic Tiktok's algorithm, is receiving heavy criticism from users, including celebrity sisters Kylie Jenner and Kim Kardashian. Snap isn't faring any better. The company's stock crashed after it announced disappointing second quarter earnings. Snapchat, like Instagram, has released several products that mirror Tiktok in an effort to boost revenue. However, the copycatting strategy hasn't worked out for either company. [Will Meta and Snap's Tiktok pivot ultimately lead to their downfall?](#)

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How this can impact your portfolio

If you want to hedge volatility in the long-run

These gold ETFs are great for hedging inflation

If you're looking for exposure in the tech industry

Here are three of the best performing ETFs in the past year

If you're curious about Tiktok's rise to stardom

This piece gives you the inside scoop on Tiktok's algorithm secrets

[Build a long-term portfolio in Pasiv.](#)

This week's poll

Which tech behemoth is a better investment?

Google

Apple

Microsoft

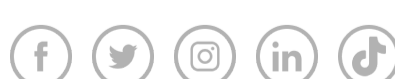
Amazon

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