

Weekly Market Update



Market Data as of Week Ending: 12/16/2022 unless noted otherwise

U.S. stock prices experienced another volatile week as growing fears over continued monetary tightening pushed the S&P 500 down (-2.05%) for a second consecutive week. Size and style was mixed with large-cap companies generally underperforming their smaller counterparts as growth stocks mostly held up better than their value counterparts. Nearly every major economic sector recorded sharp losses, with the typically defensive healthcare, consumer staples, and utilities sectors faring the best. Energy was the best performing sector, returning 1.78%, as oil prices rebounded on OPEC and IEA's forecasts for resilient oil demand growth next year. Developed foreign and emerging markets stocks ended the week lower and in line with domestic equities.

U.S. Treasury yields moved lower last week as the 'lower-than-expected' November U.S. inflation print slightly softened consensus expectations for future rate hikes. The 2-year and 10-year ended the week at 4.59% and 3.59%, respectively, as the 2s10s spread remained near its deepest level of inversion in more than four decades. Returns were negative, but mixed, across the quality and duration spectrum as investment-grade corporate bonds proved most resilient. Yields remained relatively flat for both investment grade corporate and high yield bonds, ending the week at 5.1% and just above 8.5%, respectively.

Economic data was generally mixed in what was a week dominated by the Federal Reserve's rate announcement. The week was kicked off with the NFIB small-business index rising to 91.9 in November, showing growing confidence among small-business owners heading into the holiday season. The cost of living rose a meager 0.1% in November, which brought the annual inflation rate to 7.1% from 7.7% in the prior month, suggesting the worst U.S. inflation in 40 years is receding. U.S. retail sales fell 0.6% in November, its biggest decline in almost a year, driven mainly by weak car sales. The Philadelphia Fed manufacturing index improved to a reading of -13.8 in December from -19.4 in the prior month, but was slightly below consensus estimates. The ECB and BOE both raised their key interest rates by 0.5% as both central banks signaled further increases may be required to bring inflation back down to their targets.

U.S. Equity Returns (Size & Style - Russell)

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.59%	-2.00%	-2.43%	-5.01%	-5.54%	-6.09%	11.28%	7.55%	3.92%	-8.48%	-18.89%	-27.94%
Mid	-1.89%	-1.81%	-1.68%	-5.51%	-5.41%	-5.24%	9.96%	9.17%	7.76%	-12.43%	-17.32%	-26.13%
Small	-2.34%	-1.81%	-1.28%	-6.80%	-6.45%	-6.10%	8.13%	6.27%	4.49%	-14.71%	-20.40%	-26.10%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	0.46%	0.57%	1.11%	0.60%	0.79%	4.37%	1.51%	2.05%	5.54%	-4.92%	-6.78%	-24.82%
Corp	0.44%	0.57%	0.50%	0.63%	1.03%	3.74%	2.46%	3.86%	10.61%	-5.16%	-8.41%	-21.94%
HY	-0.02%	0.01%	0.56%	0.50%	0.70%	2.21%	4.58%	5.57%	6.75%	-5.06%	-9.32%	-20.49%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-2.05%	-5.50%	7.86%	-17.88%
S&P MidCap 400	-2.09%	-6.15%	10.07%	-13.62%
Russell 2000	-1.81%	-6.45%	6.27%	-20.40%
MSCI EAFE	-2.13%	-0.34%	16.84%	-14.81%
MSCI Emerging Markets	-2.10%	-1.46%	9.64%	-20.14%
MSCI EAFE Small Cap	-1.51%	0.21%	14.81%	-22.06%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.57%	0.86%	2.59%	-7.28%
Bloomberg US Agg	0.80%	1.70%	4.08%	-11.13%
Bloomberg US High Yield	0.03%	0.75%	5.61%	-9.96%
Other				
Bloomberg Commodity	0.96%	-2.69%	1.96%	15.80%
S&P Dev Property	-1.70%	-2.28%	7.74%	-24.02%
HFRX Global Hedge Fund	-0.04%	0.01%	0.23%	-4.34%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-3.62%	-8.18%	-7.07%	-34.85%
Consumer Staples	-1.40%	-3.13%	12.36%	-0.93%
Energy	1.78%	-7.62%	16.89%	57.73%
Financials	-2.46%	-7.25%	11.19%	-12.44%
Health Care	-1.77%	-2.54%	12.08%	-2.59%
Industrials	-1.02%	-3.57%	18.48%	-6.07%
Info Technology	-2.65%	-6.34%	7.06%	-26.60%
Materials	-2.31%	-4.44%	16.41%	-11.23%
Real Estate	-2.15%	-4.50%	3.95%	-25.72%
Communication Svcs	-2.46%	-7.40%	-0.91%	-39.60%
Utilities	-0.51%	-1.37%	7.72%	0.71%

Bond Yields

	12/16/22	11/30/22	9/30/22	12/31/21
3Mo Libor	4.75%	4.78%	3.75%	0.21%
SOFR 3Mo Swap	4.50%	4.39%	3.60%	0.09%
2Yr Treasury	4.59%	4.71%	4.28%	0.73%
10Yr Treasury	3.59%	3.68%	3.83%	1.51%
2-10 Slope	-1.00%	-1.03%	-0.45%	0.78%

Commodities and Currency

	12/16/22	11/30/22	9/30/22	12/31/21
Oil (\$/barrel)	74.29	80.55	79.49	76.99
Gold (\$/oz.)	1793.08	1768.52	1660.61	1829.2

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The market indexes discussed are unmanaged and generally considered representative of their respective markets. Index performance is not indicative of past performance of any particular investment. Indexes do not incur management fees, costs, and expenses. Indexes are not available for direct investment.

The S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks across major industries.

The Russell 2000 Index is a market-cap weighted index measuring the performance of approximately 2,000 smallest-cap weighted American companies in the Russell 3000 index. The Russell 3000 Index is a capitalization-weighted equity index that provides exposure to the entire U.S. stock market. The index tracks the performance of the 3,000 largest U.S.-traded stocks which represent about 98% of all U.S. incorporated equity securities.

The MSCI Indexes were created by Morgan Stanley Capital International and serves as a benchmark of the performance of major international equity markets. The EAFE, with 826 constituents across 21 developed markets around the world excluding the US and Canada covers approximately 85% of the free float-adjusted market capitalization of each country. The Emerging Markets Index, with 1,393 constituents, captures large and mid-cap representation across 24 Emerging Markets (EM) countries and covers approximately 85% of the free float-adjusted market capitalization in each country.

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