

Weekly Market Update



Market Data as of Week Ending: 1/20/2023 unless noted otherwise

U.S. stock prices settled back in with mixed results across major indexes. We are still early into reporting season (only 11% of companies in the S&P 500 reported), but the estimated earnings decline has expanded to -4.6%. The trend of growth stocks outperforming their value-oriented counterparts continued, but smaller-sized companies lost some of their appeal and lagged their mid and large-sized peers. Performance across economic sectors was mixed with some gains in the consumer discretionary, information technology, and energy sectors. The rest of the sectors were down with notable weakness in the industrials, utilities, and consumer staples sectors. Developed foreign and emerging markets stocks ended the week with gains for the third consecutive week as both markets finished ahead of domestic equities.

U.S. Treasury yields were also mixed with lower yields for short to intermediate term bonds and higher yields for long duration bonds. The 10-year ended the week at 3.48% as investors were delivered strong signals from the Fed that they are on course to reduce the pace of interest rate hikes again. According to CME, futures pricing indicates a 99% probability of a 0.25% interest rate hike at the upcoming meeting. Returns were mixed across the quality and duration spectrum as investment grade corporate bonds were the best performing segment. Yields were largely unchanged for investment grade corporate bonds and some spread widening for high yield bonds, ending the week at 5.0% and nearly 8.3%, respectively.

Economic data came in generally worse than expected as both retail sales and industrial production fell in the month of December. Retail sales declined -1.1% in December as holiday sales were disappointing despite heavy discounting by retailers to clear inventory. Industrial production declined for the second consecutive month in December (-0.7%) as higher interest rates and prices weighed on demand. The housing market remains challenged with declines in both new and existing home sales, but results for December were better than expected. Initial jobless claims dropped below 200,000 as the labor market remains robust with 10.5 million job openings and 3.5% unemployment. European leaders at the ECB and BoE remain committed to fighting inflation with higher rates while signs are emerging that inflation may be on the rise in Japan.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.47%	-0.58%	0.38%	2.94%	3.82%	4.77%	2.94%	3.82%	4.77%	2.94%	3.82%	4.77%
Mid	-1.17%	-0.78%	-0.05%	4.61%	4.83%	5.25%	4.61%	4.83%	5.25%	4.61%	4.83%	5.25%
Small	-1.10%	-1.04%	-0.98%	5.70%	6.06%	6.42%	5.70%	6.06%	6.42%	5.70%	6.06%	6.42%

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	0.19%	0.19%	-0.32%	1.10%	1.60%	5.62%	1.10%	1.60%	5.62%	1.10%	1.60%	5.62%
Corp	0.27%	0.30%	-0.29%	1.36%	2.22%	6.05%	1.36%	2.22%	6.05%	1.36%	2.22%	6.05%
HY	-0.23%	-0.32%	-0.15%	2.70%	3.47%	4.65%	2.70%	3.47%	4.65%	2.70%	3.47%	4.65%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.65%	3.55%	3.55%	3.55%
S&P MidCap 400	-0.86%	5.33%	5.33%	5.33%
Russell 2000	-1.04%	6.06%	6.06%	6.06%
MSCI EAFE	0.01%	7.05%	7.05%	7.05%
MSCI Emerging Markets	0.63%	8.39%	8.39%	8.39%
MSCI EAFE Small Cap	0.21%	6.14%	6.14%	6.14%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.23%	1.78%	1.78%	1.78%
Bloomberg US Agg	0.15%	2.89%	2.89%	2.89%
Bloomberg US High Yield	-0.31%	3.52%	3.52%	3.52%
Other				
Bloomberg Commodity	0.58%	-0.34%	-0.34%	-0.34%
S&P Dev Property	0.08%	5.84%	5.84%	5.84%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.51%	7.60%	7.60%	7.60%
Consumer Staples	-2.75%	-2.45%	-2.45%	-2.45%
Energy	0.75%	3.45%	3.45%	3.45%
Financials	-2.08%	3.35%	3.35%	3.35%
Health Care	-1.10%	-1.38%	-1.38%	-1.38%
Industrials	-3.33%	0.82%	0.82%	0.82%
Info Technology	0.68%	5.59%	5.59%	5.59%
Materials	-1.21%	6.60%	6.60%	6.60%
Real Estate	-0.71%	6.12%	6.12%	6.12%
Communication Svcs	2.97%	11.39%	11.39%	11.39%
Utilities	-2.93%	-1.81%	-1.81%	-1.81%

Bond Yields

	1/20/23	12/31/22	12/31/22	12/31/22
3Mo Libor	4.82%	4.77%	4.77%	4.77%
SOFR 3Mo Swap	4.65%	4.59%	4.59%	4.59%
2Yr Treasury	4.14%	4.41%	4.41%	4.41%
10Yr Treasury	3.48%	3.88%	3.88%	3.88%
2-10 Slope	-0.66%	-0.53%	-0.53%	-0.53%

Commodities and Currency

	1/20/23	12/31/22	12/31/22	12/31/22
Oil (\$/barrel)	81.31	80.26	80.26	80.26
Gold (\$/oz.)	1926.08	1824.02	1824.02	1824.02

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.