

# Weekly Market Update



Market Data as of Week Ending: 1/27/2023 unless noted otherwise

U.S. stock prices moved higher as investor sentiment has improved, despite a weaker outlook for the business cycle. The estimated earnings decline for the fourth quarter has expanded to -5.0% and most of the companies that provide guidance have projected lower estimates for the first quarter. Growth stocks once again outperformed their value-oriented counterparts, while the size factor was more mixed, but large-sized companies generally outperformed small and mid-sized peers. Nine of the economic sectors delivered gains with notable strength in the consumer discretionary, information technology, and communication services sectors. Traditionally defensive sectors lagged with declines in the healthcare and consumer staples sectors. Developed foreign and emerging markets stocks ended the week with gains for the fourth consecutive week; however, relative performance in both markets lagged domestic equities.

U.S. Treasury yields were mixed as yields edged higher for short to intermediate term bonds and the 10-year ended the week at 3.52%. New economic data did not change investor expectations, which remain confident that the Fed will slow the pace of interest rate increases to 0.25%, at the upcoming meeting. Returns were mixed across the quality and duration spectrum as long duration corporate bonds were the best performing segment. Yields were largely unchanged for investment grade corporate bonds and some spread tightening was observed for high yield bonds, ending the week at 5.0% and nearly 8.2%, respectively.

Economic data came in mixed with better-than-expected inflation data showing signs of deceleration and solid economic growth, despite recent declines in consumer spending and a weak outlook according to survey data. The PCE index showed that headline inflation slowed to 5.0% and the core measure (excluding food and energy prices) dropped to 4.4%, its lowest increase since October 2021. Economic growth, as measured by GDP, increased 2.9% in the fourth quarter and 2.1% for the calendar year 2022. The bad news was that consumer spending fell in December for the second consecutive month, despite lower prices. According to S&P Global, the outlook for economic growth has improved, but the flash composite PMI is still pointing toward a contraction with a 46.6 reading. The outlook in Europe is starting to improve as business confidence increased and the flash composite PMI improved to 50.2, showing signs of optimism for the first time since June of last year.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.78%	2.57%	3.40%	4.77%	6.49%	8.33%	4.77%	6.49%	8.33%	4.77%	6.49%	8.33%
Mid	2.52%	2.62%	2.79%	7.25%	7.58%	8.18%	7.25%	7.58%	8.18%	7.25%	7.58%	8.18%
Small	2.22%	2.37%	2.52%	8.04%	8.58%	9.10%	8.04%	8.58%	9.10%	8.04%	8.58%	9.10%

## 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	-0.11%	-0.14%	0.41%	0.99%	1.46%	6.05%	0.99%	1.46%	6.05%	0.99%	1.46%	6.05%
Corp	0.05%	0.08%	0.54%	1.41%	2.31%	6.62%	1.41%	2.31%	6.62%	1.41%	2.31%	6.62%
HY	0.41%	0.39%	0.35%	3.12%	3.87%	5.01%	3.12%	3.87%	5.01%	3.12%	3.87%	5.01%

## Index Returns

	Week	MTD	QTD	YTD
<b>Equities (Stocks)</b>				
S&P 500	2.48%	6.11%	6.11%	6.11%
S&P MidCap 400	2.39%	7.86%	7.86%	7.86%
Russell 2000	2.37%	8.58%	8.58%	8.58%
MSCI EAFE	1.40%	8.55%	8.55%	8.55%
MSCI Emerging Markets	1.44%	9.95%	9.95%	9.95%
MSCI EAFE Small Cap	1.92%	8.18%	8.18%	8.18%
<b>Fixed Income (Bonds)</b>				
Bloomberg Int Gov/Credit	-0.07%	1.71%	1.71%	1.71%
Bloomberg US Agg	0.09%	2.99%	2.99%	2.99%
Bloomberg US High Yield	0.38%	3.91%	3.91%	3.91%
<b>Other</b>				
Bloomberg Commodity	-0.37%	-0.71%	-0.71%	-0.71%
S&P Dev Property	3.10%	9.12%	9.12%	9.12%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	6.40%	14.48%	14.48%	14.48%
Consumer Staples	0.45%	-2.02%	-2.02%	-2.02%
Energy	0.78%	4.26%	4.26%	4.26%
Financials	2.54%	5.97%	5.97%	5.97%
Health Care	-0.84%	-2.22%	-2.22%	-2.22%
Industrials	2.13%	2.97%	2.97%	2.97%
Info Technology	4.07%	9.89%	9.89%	9.89%
Materials	0.71%	7.36%	7.36%	7.36%
Real Estate	2.90%	9.20%	9.20%	9.20%
Communication Svcs	3.28%	15.04%	15.04%	15.04%
Utilities	-0.49%	-2.29%	-2.29%	-2.29%

## Bond Yields

	1/27/23	12/31/22	12/31/22	12/31/22
3Mo Libor	4.83%	4.77%	4.77%	4.77%
SOFR 3Mo Swap	4.67%	4.59%	4.59%	4.59%
2Yr Treasury	4.19%	4.41%	4.41%	4.41%
10Yr Treasury	3.52%	3.88%	3.88%	3.88%
2-10 Slope	-0.67%	-0.53%	-0.53%	-0.53%

## Commodities and Currency

	1/27/23	12/31/22	12/31/22	12/31/22
Oil (\$/barrel)	79.68	80.26	80.26	80.26
Gold (\$/oz.)	1928.04	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.