

Weekly Market Update



Market Data as of Week Ending: 10/14/2022 unless noted otherwise

U.S. stock prices continued their volatile trading as the S&P 500 reached its lowest level since November 2020 before rallying to end the week down -1.53%. Third-quarter earnings season began in earnest as a handful of companies kicked it off with mixed results. Analysts are forecasting that third-quarter earnings for S&P 500 companies will rise by an average of 2.4%, which would mark its lowest earnings growth rate in two years. Small-cap companies continued their outperformance versus their large and mid-sized peers. Value stocks provided downside protection, outperforming their growth counterparts. Traditionally defensive sectors in consumer staples and health care along with financials benefitted from positive earnings reports and were able to manage gains for the week. Consumer discretionary, information technology and utilities were the hardest hit sectors. Developed foreign markets outperformed the U.S., while emerging markets declined sharply and underperformed.

U.S. Treasury yields continued their rise as new inflationary data caused investors to evaluate their monetary policy expectations. The 10-year U.S. Treasury rose 0.19% to 4.02%, eclipsing 4.00% for the first time since 2008. The 2-year yield increased by 0.22% to 4.50%, its highest level since August 2007. Government bonds were the best performing asset class, while long duration bonds felt the brunt of the sharp move in yields. Yields on investment grade corporate bonds rose while high yield bonds remained flat, finishing the week at nearly 6.0% and 9.7%, respectively.

It was a mixed week for economic data as investors were focused on inflation prints near the middle of the week. The NFIB small-business index increased slightly to 92.1 in September, its third consecutive month of gains as better prospects for sales boosted confidence. U.S. producer prices rose 0.4% in September, marking its first increase in three months. Consumer prices rose 0.4% in September, as the cost of staples such as food, rent, medical care and new cars all rose last month. The core inflation rate, which strips out food and energy prices, rose 0.6% in September. U.S. retail sales fell flat in September as consumers slowed their spending in the face of inflation and rising interest rates. Consumer sentiment rose slightly to 59.8 in The University of Michigan's early October reading. Consumer expectations for inflation over the next year rose to 5.1% from September's low of 4.7%. The U.K. economy unexpectedly shrank -0.3% in August due to a fall in industrial output.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-0.68%	-1.75%	-2.80%	1.51%	-0.08%	-1.64%	1.51%	-0.08%	-1.64%	-16.51%	-24.65%	-31.79%
Mid	-1.67%	-2.54%	-4.09%	0.62%	-0.10%	-1.37%	0.62%	-0.10%	-1.37%	-19.86%	-24.34%	-32.39%
Small	0.33%	-1.15%	-2.56%	2.56%	1.10%	-0.30%	2.56%	1.10%	-0.30%	-19.11%	-24.28%	-29.49%

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	-0.33%	-0.46%	-2.14%	-0.50%	-0.72%	-3.29%	-0.50%	-0.72%	-3.29%	-6.80%	-9.31%	-31.12%
Corp	-0.67%	-1.00%	-2.85%	-0.68%	-0.96%	-2.48%	-0.68%	-0.96%	-2.48%	-8.06%	-12.65%	-31.18%
HY	-0.89%	-1.07%	-2.08%	0.23%	0.35%	-1.10%	0.23%	0.35%	-1.10%	-9.01%	-13.81%	-26.34%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.53%	0.00%	0.00%	-23.87%
S&P MidCap 400	-0.93%	1.95%	1.95%	-19.99%
Russell 2000	-1.15%	1.10%	1.10%	-24.28%
MSCI EAFE	-1.35%	0.57%	0.57%	-26.68%
MSCI Emerging Markets	-3.81%	-1.39%	-1.39%	-28.17%
MSCI EAFE Small Cap	-1.82%	-0.29%	-0.29%	-32.31%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.62%	-0.79%	-0.79%	-10.34%
Bloomberg US Agg	-1.19%	-1.44%	-1.44%	-15.84%
Bloomberg US High Yield	-1.11%	0.29%	0.29%	-14.49%
Other				
Bloomberg Commodity	-2.90%	2.09%	2.09%	15.94%
S&P Dev Property	-1.66%	-3.46%	-3.46%	-31.91%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.09%	-5.15%	-5.15%	-33.51%
Consumer Staples	1.45%	1.08%	1.08%	-10.88%
Energy	-1.82%	11.78%	11.78%	50.84%
Financials	0.23%	2.17%	2.17%	-19.54%
Health Care	0.87%	2.21%	2.21%	-11.16%
Industrials	-0.56%	2.30%	2.30%	-18.90%
Info Technology	-3.22%	-1.60%	-1.60%	-32.54%
Materials	-1.86%	0.25%	0.25%	-23.55%
Real Estate	-2.33%	-6.47%	-6.47%	-33.17%
Communication Svcs	-1.86%	-0.18%	-0.18%	-39.15%
Utilities	-2.58%	-5.14%	-5.14%	-11.32%

Bond Yields

	10/14/22	9/30/22	9/30/22	12/31/21
3Mo Libor	4.19%	3.75%	3.75%	0.21%
SOFR 3Mo Swap	3.93%	3.60%	3.60%	0.09%
2Yr Treasury	4.50%	4.28%	4.28%	0.73%
10Yr Treasury	4.02%	3.83%	3.83%	1.51%
2-10 Slope	-0.48%	-0.45%	-0.45%	0.78%

Commodities and Currency

	10/14/22	9/30/22	9/30/22	12/31/21
Oil (\$/barrel)	85.61	79.49	79.49	76.99
Gold (\$/oz.)	1644.47	1660.61	1660.61	1829.2

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