

Weekly Market Update



Market Data as of Week Ending: 10/21/2022 unless noted otherwise

U.S. stock prices regained traction as investors reacted positively to some prominent earnings reports and signs that the Federal Reserve might slow its pace of interest rate hikes. The S&P 500 ended the week 4.75% higher. Reversing its trend, large-cap companies generally outperformed their mid and small-sized peers, while the value factor was a headwind. All eleven sectors recorded gains with the energy sector leading the way on the announcement of a release from the U.S. Strategic Petroleum Reserve. Traditionally defensive sectors in health care, utilities and consumer staples lagged. Developed foreign and emerging stock prices ended the week slightly higher, but underperformed the U.S.

U.S. Treasury yields continued their rise as mixed reports kept volatility in the market. The 10-year U.S. Treasury ended the week at 4.29%, while the 2-year yield increased by 0.05% to 4.55% as several Fed officials made comments suggesting a higher-than-expected fed funds target rate. Short duration outperformed last week as longer duration bonds were negative across the board with government bonds faring the worst. High yield corporate bonds were the best performing asset class as its yield declined from 9.7% to 9.6%, while yields on investment grade corporate bonds rose to 6.1%.

It was a light week for economic data releases as it was kicked off on Monday with a negative New York Fed's Empire State business index reading. The index fell 7.6 points to -9.1 in what was the third straight negative reading - any reading below zero indicates deteriorating conditions. The U.S. industrial production index rose 0.4% in September, helped by the increase in oil and gas drilling and uptick in auto production. The NAHB confidence index fell to 38 in October, falling for a record tenth month in a row as home builders say the situation is unhealthy and unsustainable. The Philadelphia Fed's manufacturing index edged up slightly to -8.7 in October from -9.9 but was below analyst estimates. The U.S. leading economic index fell 0.4% in September, marking the seventh decline in nine months and suggesting an increasing likelihood of a recession before year-end. The new U.K. Prime Minister, Liz Truss, resigned last week after roughly six weeks in office.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	3.93%	4.67%	5.42%	5.50%	4.59%	3.70%	5.50%	4.59%	3.70%	-13.23%	-21.13%	-28.10%
Mid	3.28%	3.57%	4.11%	3.92%	3.47%	2.69%	3.92%	3.47%	2.69%	-17.24%	-21.64%	-29.61%
Small	3.32%	3.57%	3.81%	5.96%	4.70%	3.50%	5.96%	4.70%	3.50%	-16.42%	-21.58%	-26.80%

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	0.04%	-0.21%	-4.93%	-0.46%	-0.93%	-8.07%	-0.46%	-0.93%	-8.07%	-6.76%	-9.50%	-34.51%
Corp	-0.06%	-0.35%	-2.93%	-0.74%	-1.31%	-5.34%	-0.74%	-1.31%	-5.34%	-8.12%	-12.96%	-33.20%
HY	0.48%	0.32%	-0.79%	0.71%	0.67%	-1.88%	0.71%	0.67%	-1.88%	-8.58%	-13.53%	-26.92%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	4.75%	4.75%	4.75%	-20.25%
S&P MidCap 400	2.99%	5.00%	5.00%	-17.60%
Russell 2000	3.57%	4.70%	4.70%	-21.58%
MSCI EAFE	0.55%	1.12%	1.12%	-26.28%
MSCI Emerging Markets	0.21%	-1.19%	-1.19%	-28.03%
MSCI EAFE Small Cap	0.07%	-0.21%	-0.21%	-32.26%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.25%	-1.04%	-1.04%	-10.57%
Bloomberg US Agg	-1.07%	-2.49%	-2.49%	-16.74%
Bloomberg US High Yield	0.28%	0.58%	0.58%	-14.25%
Other				
Bloomberg Commodity	-2.04%	0.01%	0.01%	13.58%
S&P Dev Property	1.27%	-2.23%	-2.23%	-31.05%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	5.66%	0.22%	0.22%	-29.74%
Consumer Staples	2.28%	3.39%	3.39%	-8.84%
Energy	8.08%	20.81%	20.81%	63.03%
Financials	3.93%	6.18%	6.18%	-16.38%
Health Care	2.30%	4.57%	4.57%	-9.11%
Industrials	4.68%	7.09%	7.09%	-15.10%
Info Technology	6.49%	4.79%	4.79%	-28.16%
Materials	6.15%	6.41%	6.41%	-18.85%
Real Estate	2.80%	-3.86%	-3.86%	-31.30%
Communication Svcs	5.03%	4.84%	4.84%	-36.09%
Utilities	1.95%	-3.29%	-3.29%	-9.59%

Bond Yields

	10/21/22	9/30/22	9/30/22	12/31/21
3Mo Libor	4.36%	3.75%	3.75%	0.21%
SOFR 3Mo Swap	4.02%	3.60%	3.60%	0.09%
2Yr Treasury	4.55%	4.28%	4.28%	0.73%
10Yr Treasury	4.29%	3.83%	3.83%	1.51%
2-10 Slope	-0.26%	-0.45%	-0.45%	0.78%

Commodities and Currency

	10/21/22	9/30/22	9/30/22	12/31/21
Oil (\$/barrel)	86.65	79.49	79.49	76.99
Gold (\$/oz.)	1657.69	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.