

# Weekly Market Update



Market Data as of Week Ending: 11/4/2022 unless noted otherwise

U.S. stock prices declined last week as hawkish sentiment from Fed Chairman Powell's press conference dashed hopes for an impending pivot in monetary policy. Third quarter earnings results continue to come in above estimates with 85% of S&P 500 companies now reported. Multiple sectors saw positive earnings surprises last week, most notably, health care and energy. Small and mid-sized companies generally outperformed their large cap peers, while the growth factor was a headwind for the second straight week. Eight of the eleven sectors ended the week lower as the communication services and information technology sectors lagged. The energy, materials, and industrial sectors were able to eke out a gain. Developed foreign and emerging markets stocks recorded a gain for the week, outperforming domestic equities by a wide margin.

U.S. Treasury yields rose as the Fed and Bank of England each announced a 0.75% interest rate hike. The 10-year U.S. Treasury yield increased to end the week at 4.25%, while the 2-year yield rose to 4.73%, its highest level since July 2007. Long duration lagged last week as all segments across the bond market recorded losses. Investment grade corporate bonds outperformed across the board last week. Yields rose for both investment grade corporate and high yield bonds, finishing the week at nearly 6.0% and 9.2%, respectively.

Economic reports were mixed for the week as the labor market provided a mixed picture. The Chicago PMI dropped to 45.2 in October, the second straight month of contraction. Manufacturing data was slightly better than expected but continued its fall as the ISM manufacturing index slipped to 50.2 from 50.9 in October, just above the breakeven level and its lowest level since May 2020. The ISM services index fell to 54.4 in October as the U.S. services industry grew at its slowest pace in nearly 2-1/2 years, due to higher prices. U.S. factory orders rose 0.3% in September as defense and aircraft spending rose. The U.S. added a surprisingly strong 261,000 new jobs in October, outpacing estimates and underscoring the strength of the labor market. However, the U.S. unemployment rate rose to 3.7% from 3.5% as more people lost jobs and the size of the labor market shrunk. The Bank of England (BoE) increased rates by 0.75% to 3%, marking its highest level since 2008, to battle inflation that is predicted to stay above 10% for the next six months and above 5% in 2023.

U.S. Equity Returns (Size & Style - Russell)												
	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.19%	-3.39%	-5.61%	-0.68%	-2.70%	-4.74%	9.50%	5.11%	0.83%	-9.94%	-20.74%	-30.08%
Mid	-1.27%	-2.04%	-3.44%	-0.92%	-1.69%	-3.10%	8.44%	7.03%	4.52%	-13.64%	-18.94%	-28.36%
Small	-1.60%	-2.53%	-3.43%	-1.59%	-2.52%	-3.44%	10.79%	8.21%	5.73%	-12.61%	-18.95%	-25.23%

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	-0.47%	-0.63%	-2.17%	-0.31%	-0.41%	-1.41%	-0.52%	-0.86%	-6.87%	-6.82%	-9.44%	-33.66%
Corp	-0.26%	-0.39%	-0.98%	-0.12%	-0.18%	-0.56%	-0.42%	-0.59%	-2.79%	-7.83%	-12.33%	-31.40%
HY	-0.95%	-1.24%	-1.06%	-0.57%	-0.81%	-0.78%	1.66%	1.85%	-0.48%	-7.71%	-12.52%	-25.88%

Index Returns					S&P 500 Sector Returns						
	Week	MTD	QTD	YTD		Week	MTD	QTD	YTD		
Equities (Stocks)					Consumer Disc	-5.77%	-5.12%	-4.90%	-33.33%		
S&P 500	-3.31%	-2.59%	5.30%	-19.83%	Consumer Staples	-1.82%	-1.21%	7.72%	-5.02%		
S&P MidCap 400	-1.17%	-1.10%	9.30%	-14.22%	Energy	2.41%	1.77%	27.17%	71.61%		
Russell 2000	-2.53%	-2.52%	8.21%	-18.95%	Financials	-0.76%	-0.04%	11.94%	-11.84%		
MSCI EAFE	1.24%	1.17%	6.61%	-22.27%	Health Care	-1.54%	-1.46%	8.11%	-6.04%		
MSCI Emerging Markets	4.68%	4.36%	1.12%	-26.34%	Industrials	0.45%	0.79%	14.82%	-8.97%		
MSCI EAFE Small Cap	0.77%	0.69%	4.95%	-28.75%	Info Technology	-6.83%	-5.56%	1.82%	-30.20%		
Fixed Income (Bonds)					Materials	0.86%	1.77%	10.93%	-15.41%		
Bloomberg Int Gov/Credit	-0.56%	-0.34%	-0.78%	-10.33%	Real Estate	-1.77%	-1.56%	0.38%	-28.28%		
Bloomberg US Agg	-0.78%	-0.37%	-1.66%	-16.02%	Communication Svcs	-7.43%	-5.86%	-5.73%	-42.53%		
Bloomberg US High Yield	-1.23%	-0.81%	1.77%	-13.24%	Utilities	-0.49%	0.43%	2.49%	-4.18%		
Other					Bond Yields						
Bloomberg Commodity	5.22%	3.70%	5.77%	20.12%	11/4/22	10/31/22	9/30/22	12/31/21			
S&P Dev Property	-1.00%	-0.69%	2.30%	-27.85%	3Mo Libor	4.55%	4.46%	3.75%	0.21%		
Commodities and Currency					SOFR 3Mo Swap	4.19%	4.13%	3.60%	0.09%		
Oil (\$/barrel)	11/4/22	10/31/22	9/30/22	12/31/21	2Yr Treasury	4.73%	4.64%	4.28%	0.73%		
Gold (\$/oz.)	92.61	86.53	79.49	76.99	10Yr Treasury	4.25%	4.15%	3.83%	1.51%		
	1681.87	1633.56	1660.61	1829.2	2-10 Slope	-0.48%	-0.49%	-0.45%	0.78%		

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