

Weekly Market Update



Market Data as of Week Ending: 12/2/2022 unless noted otherwise

U.S. stock prices ended the volatile trading week higher as markets rallied on the growing belief that the Federal Reserve may slow the pace of its interest rate hikes. During his speech, Fed Chairman Jerome Powell hinted at the possibility of rates remaining higher for longer but indicated that the pace of rate increases could slow by as early as the mid-December meeting. Growth stocks benefited the most from this rhetoric, outpacing their value counterparts, while mid and small-cap companies generally outperformed their large-sized peers. Nine of the eleven major economic sectors ended the week higher, most notably, the communication services and consumer discretionary sectors while the financials and energy sectors were the worst performing, falling -0.55% and -1.89%, respectively. Developed foreign and emerging markets stocks recorded gains again for the week and generally outperformed domestic equities.

U.S. Treasury yields moved lower as dovish Fed commentary suggested their policy rate may be nearing its peak. The 2-year and 10-year ended the week at 4.66% and 3.59%, respectively, as the 2s10s spread reached its deepest level of inversion in more than four decades. Yields dropped for long duration bonds, and once again they significantly outperformed last week with long government bonds being the best performing segment. Yields declined for both investment grade corporate and high yield bonds, ending the week at 5.1% and just above 8.4%, respectively.

Economic data was once again mixed with Friday's employment report garnering much of the attention. The week was kicked off with the consumer confidence index falling to a four-month low of 100.2 in November, reflecting growing concern around the economy. The Chicago PMI fell to 37.2 in November, down from 45.2 last month and its lowest level since early 2020. The PCE price index rose a modest 0.3% in October, signaling easing price pressures. Consumer spending rose by 0.5% in October, up from the 0.3% gain in September. The ISM manufacturing data fell to a 30-month low of 49% in November, contracting for the first time since the onset of the pandemic. The U.S. added 263,000 new jobs in November, a surprisingly strong report that reflects the strength of the labor market. Inflation in the Eurozone slowed for the first time in 17 months, falling 0.6% to 10.0% in November as energy costs eased.

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

	Value	Week Core	Growth	Value	MTD Core	Growth	Value	QTD Core	Growth	Value	YTD Core	Growth
Large	0.77%	1.26%	1.76%	-0.13%	-0.13%	-0.13%	16.99%	13.71%	10.52%	-3.78%	-14.25%	-23.36%
Mid	0.91%	1.32%	2.08%	-0.01%	0.21%	0.60%	16.36%	15.66%	14.41%	-7.33%	-12.41%	-21.58%
Small	1.01%	1.33%	1.66%	0.11%	0.35%	0.59%	16.15%	14.00%	11.93%	-8.38%	-14.62%	-20.84%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Short	Week Interim	Long	Short	MTD Interim	Long	Short	QTD Interim	Long	Short	YTD Interim	Long
Govt	0.71%	0.97%	3.84%	0.35%	0.56%	3.92%	1.26%	1.82%	5.09%	-5.16%	-6.99%	-25.14%
Corp	0.74%	1.08%	2.95%	0.41%	0.78%	3.38%	2.24%	3.60%	10.23%	-5.36%	-8.63%	-22.21%
HY	0.77%	0.93%	1.20%	0.68%	0.91%	1.19%	4.77%	5.79%	5.68%	-4.89%	-9.13%	-21.29%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.19%	-0.18%	13.93%	-13.26%
S&P MidCap 400	0.63%	-0.13%	17.13%	-8.08%
Russell 2000	1.33%	0.35%	14.00%	-14.62%
MSCI EAFE	1.05%	2.03%	19.63%	-12.78%
MSCI Emerging Markets	3.51%	0.17%	11.45%	-18.82%
MSCI EAFE Small Cap	0.69%	2.49%	17.42%	-20.29%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	1.01%	0.63%	2.36%	-7.49%
Bloomberg US Agg	1.54%	1.34%	3.71%	-11.44%
Bloomberg US High Yield	0.94%	0.92%	5.79%	-9.81%
Other				
Bloomberg Commodity	-0.31%	-1.34%	3.38%	17.41%
S&P Dev Property	0.35%	0.16%	10.43%	-22.12%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	2.22%	-0.28%	0.94%	-29.24%
Consumer Staples	1.26%	0.03%	16.03%	2.30%
Energy	-1.89%	-1.02%	25.24%	69.00%
Financials	-0.55%	-1.10%	18.56%	-6.63%
Health Care	1.96%	0.50%	15.58%	0.46%
Industrials	1.05%	0.63%	23.65%	-1.97%
Info Technology	1.32%	-0.47%	13.77%	-22.00%
Materials	1.70%	1.14%	23.20%	-6.05%
Real Estate	0.40%	-0.72%	8.07%	-22.78%
Communication Svcs	3.31%	0.35%	7.38%	-34.55%
Utilities	0.12%	-0.60%	8.56%	1.49%

Bond Yields

	12/2/22	11/30/22	9/30/22	12/31/21
3Mo Libor	4.73%	4.78%	3.75%	0.21%
SOFR 3Mo Swap	4.43%	4.39%	3.60%	0.09%
2Yr Treasury	4.66%	4.71%	4.28%	0.73%
10Yr Treasury	3.59%	3.68%	3.83%	1.51%
2-10 Slope	-1.08%	-1.03%	-0.45%	0.78%

Commodities and Currency

	12/2/22	11/30/22	9/30/22	12/31/21
Oil (\$/barrel)	79.98	80.55	79.49	76.99
Gold (\$/oz.)	1797.63	1768.52	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.