

# Weekly Market Update



Market Data as of Week Ending: 12/30/2022 unless noted otherwise

U.S. stock prices finished with modest losses for the final week of the year. The S&P 500 closed out the year down more than 18% as investors grappled with higher interest rates and a slowing economy. Size and style were mixed for the week, but for the year, the value factor significantly outperformed growth and mid-sized companies outshined both their larger and smaller-sized counterparts. Most of the major economic sectors were down for the week; however, financials and energy were exceptions with modest gains of less than 1%. For the year, sector dispersion was wide as communication services and consumer discretionary sectors were down more than 35% while energy stocks were up more than 65%, despite only a modest rise in oil prices. Developed foreign and emerging markets stocks ended the week with small gains as the dollar weakened throughout the quarter and developed foreign stocks finished the year ahead of domestic equities.

U.S. Treasury yields moved higher last week as the 10-year reached its highest level since the middle of November. The 2-year and 10-year ended the year at 4.71% and 3.97%, respectively, as the spread narrowed yet still is near its widest level of inversion over the last four decades. Returns were negative, but mixed, across the quality and duration spectrum as short duration investment-grade corporate bonds proved most resilient. Yields moved higher for both investment grade corporate and high yield bonds, ending the year at 5.4% and just below 9.0%, respectively.

Economic data was light for the week with only a few reports that were generally better than expected. According to S&P, CoreLogic home prices declined for the fourth consecutive month, down 0.5% in October. Despite recent softness, the Case-Shiller National Home Price Index rose 9.2% compared to the same period last year. Weekly initial jobless claims increased by 9,000 to 225,000, which was in line with consensus and only slightly above the pre-pandemic levels in 2019. The number of available jobs has been declining with 10.3 million as of October; however, that far exceeds the 6.1 million unemployed people seeking work. In Asia, China announced plans to lift almost all standard COVID restrictions and that the government will boost fiscal expenditures next year to support economic growth.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.17%	-0.07%	-0.33%	-4.03%	-5.81%	-7.66%	12.42%	7.24%	2.20%	-7.54%	-19.13%	-29.14%
Mid	-0.09%	-0.05%	0.02%	-5.08%	-5.40%	-6.00%	10.45%	9.18%	6.90%	-12.03%	-17.32%	-26.72%
Small	0.04%	0.08%	0.12%	-6.56%	-6.49%	-6.42%	8.42%	6.23%	4.13%	-14.48%	-20.44%	-26.36%

## 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	-0.20%	-0.30%	-1.65%	0.03%	-0.24%	-1.69%	0.93%	1.01%	-0.59%	-5.46%	-7.73%	-29.19%
Corp	-0.16%	-0.32%	-1.47%	0.13%	-0.07%	-1.15%	1.95%	2.72%	5.40%	-5.62%	-9.40%	-25.62%
HY	-0.64%	-0.93%	-1.10%	-0.38%	-0.65%	0.05%	3.66%	4.16%	4.48%	-5.90%	-10.54%	-22.18%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.11%	-5.76%	7.56%	-18.11%
S&P MidCap 400	-0.13%	-5.54%	10.78%	-13.06%
Russell 2000	0.08%	-6.49%	6.23%	-20.44%
MSCI EAFE	0.06%	0.08%	17.34%	-14.45%
MSCI Emerging Markets	0.30%	-1.41%	9.70%	-20.09%
MSCI EAFE Small Cap	0.71%	1.07%	15.79%	-21.39%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.30%	-0.18%	1.54%	-8.23%
Bloomberg US Agg	-0.65%	-0.45%	1.87%	-13.01%
Bloomberg US High Yield	-0.93%	-0.62%	4.17%	-11.19%
Other				
Bloomberg Commodity	0.31%	-2.45%	2.22%	16.09%
S&P Dev Property	0.26%	-2.67%	7.30%	-24.32%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.25%	-11.26%	-10.18%	-37.03%
Consumer Staples	-0.83%	-2.82%	12.72%	-0.62%
Energy	0.60%	-2.94%	22.81%	65.72%
Financials	0.76%	-5.23%	13.61%	-10.53%
Health Care	-0.17%	-1.91%	12.80%	-1.95%
Industrials	-0.15%	-2.97%	19.22%	-5.48%
Info Technology	-0.15%	-8.37%	4.74%	-28.19%
Materials	-1.08%	-5.56%	15.05%	-12.27%
Real Estate	-0.39%	-4.87%	3.55%	-26.01%
Communication Svcs	-0.08%	-7.84%	-1.38%	-39.89%
Utilities	-0.59%	-0.53%	8.64%	1.57%

## Bond Yields

	12/30/22	11/30/22	9/30/22	12/31/21
3Mo Libor	4.77%	4.78%	3.75%	0.21%
SOFR 3Mo Swap	4.59%	4.39%	3.60%	0.09%
2Yr Treasury	4.71%	4.71%	4.28%	0.73%
10Yr Treasury	3.97%	3.68%	3.83%	1.51%
2-10 Slope	-0.74%	-1.03%	-0.45%	0.78%

## Commodities and Currency

	12/30/22	11/30/22	9/30/22	12/31/21
Oil (\$/barrel)	80.26	80.55	79.49	76.99
Gold (\$/oz.)	1824.02	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.