

Weekly Market Update



Market Data as of Week Ending: 12/9/2022 unless noted otherwise

U.S. stock prices gave back much of the previous two week's gains as some surprisingly stronger-than-expected economic data dampened hopes that the Federal Reserve may slow its monetary policy tightening. Large-cap companies outperformed their smaller counterparts as the Russell 200 recorded its worst week since late September, returning -5.06%. Growth stocks endured the brunt of the pain, lagging their value counterparts. All eleven of the major economic sectors ended the week lower, with the typically defensive health care, consumer staples, and utilities sectors faring the best. Energy was the worst performing sector, returning -8.30%, as oil prices plummeted to a one-year low with rising global recession risks weighing on demand expectations. Developed foreign and emerging markets stocks ended the week lower but outperformed domestic equities.

U.S. Treasury yields edged higher toward the end of the week, reflecting a hotter-than-expected inflation print and news that China may ease some of its COVID-related restrictions. The 2-year and 10-year ended the week at 4.70% and 3.70%, respectively, as the 2s10s spread remained near its deepest level of inversion in more than four decades. Returns were negative, but mixed, across the quality and duration spectrum as investment-grade corporate bonds proved most resilient. Yields rose for both investment grade corporate and high yield bonds, ending the week at 5.2% and just above 8.5%, respectively.

Economic data was generally better-than-expected in what was a light week. The week was kicked off with the ISM services-sector index rising to 56.5% in November, a strong signal that the economy continues to expand. October factory orders rose 1%, marking the twelfth increase in the past thirteen months. The U.S. producer-price index rose a more-than-expected 0.3% in November but is showing steady deceleration at the year-over-year level. The University of Michigan's consumer sentiment index rose to a preliminary reading of 59.1 in December as inflation concerns appear to be easing. China announced a 10-point guideline for their new COVID prevention and control measures as the country shifts from a zero-COVID policy to reopening.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-3.35%	-3.48%	-3.62%	-3.47%	-3.61%	-3.75%	13.08%	9.75%	6.52%	-7.00%	-17.23%	-26.14%
Mid	-3.68%	-3.87%	-4.20%	-3.69%	-3.67%	-3.62%	12.07%	11.19%	9.61%	-10.74%	-15.80%	-24.87%
Small	-4.67%	-5.06%	-5.44%	-4.57%	-4.73%	-4.88%	10.72%	8.23%	5.84%	-12.66%	-18.94%	-25.15%

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	-0.21%	-0.35%	-0.67%	0.14%	0.21%	3.22%	1.05%	1.46%	4.38%	-5.35%	-7.31%	-25.65%
Corp	-0.23%	-0.32%	-0.16%	0.18%	0.46%	3.22%	2.01%	3.27%	10.06%	-5.58%	-8.93%	-22.33%
HY	-0.16%	-0.22%	0.45%	0.52%	0.69%	1.65%	4.60%	5.56%	6.16%	-5.05%	-9.33%	-20.93%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-3.35%	-3.52%	10.12%	-16.17%
S&P MidCap 400	-4.02%	-4.14%	12.42%	-11.78%
Russell 2000	-5.06%	-4.73%	8.23%	-18.94%
MSCI EAFE	-0.20%	1.83%	19.39%	-12.96%
MSCI Emerging Markets	0.48%	0.65%	11.99%	-18.43%
MSCI EAFE Small Cap	-0.72%	1.75%	16.57%	-20.86%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.34%	0.29%	2.02%	-7.80%
Bloomberg US Agg	-0.44%	0.89%	3.25%	-11.84%
Bloomberg US High Yield	-0.19%	0.72%	5.58%	-9.98%
Other				
Bloomberg Commodity	-2.31%	-3.62%	0.99%	14.70%
S&P Dev Property	-0.75%	-0.59%	9.60%	-22.70%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.47%	-4.74%	-3.58%	-32.40%
Consumer Staples	-1.78%	-1.75%	13.96%	0.48%
Energy	-8.30%	-9.23%	14.85%	54.98%
Financials	-3.86%	-4.91%	13.99%	-10.23%
Health Care	-1.28%	-0.78%	14.10%	-0.83%
Industrials	-3.19%	-2.58%	19.70%	-5.10%
Info Technology	-3.33%	-3.79%	9.98%	-24.60%
Materials	-3.28%	-2.18%	19.16%	-9.13%
Real Estate	-1.70%	-2.41%	6.24%	-24.09%
Communication Svcs	-5.39%	-5.06%	1.59%	-38.07%
Utilities	-0.27%	-0.86%	8.27%	1.22%

Bond Yields

	12/9/22	11/30/22	9/30/22	12/31/21
3Mo Libor	4.73%	4.78%	3.75%	0.21%
SOFR 3Mo Swap	4.50%	4.39%	3.60%	0.09%
2Yr Treasury	4.70%	4.71%	4.28%	0.73%
10Yr Treasury	3.70%	3.68%	3.83%	1.51%
2-10 Slope	-1.00%	-1.03%	-0.45%	0.78%

Commodities and Currency

	12/9/22	11/30/22	9/30/22	12/31/21
Oil (\$/barrel)	71.02	80.55	79.49	76.99
Gold (\$/oz.)	1797.32	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.