

Weekly Market Update



Market Data as of Week Ending: 2/10/2023 unless noted otherwise

U.S. stock prices ended the week lower, snapping a two-week winning streak as investors digested Fed commentary, mixed corporate earnings and resilient economic data. With fourth-quarter earnings season wrapping up, analysts have been cutting their first-quarter earnings-per-share forecasts by an average of 3.3% for companies in the S&P 500, worse than the average January reduction of 1.5%. Value stocks outperformed their growth-oriented counterparts while large-cap companies generally outperformed their small and mid-sized peers. Ten of the eleven economic sectors were lower with communication services being the prominent laggard. Energy was the best performing sector as oil prices surged last week on concerns that the earthquakes in Turkey and Syria materially damaged oil infrastructure in the region. Developed foreign and emerging markets stocks ended the week lower and both lagged domestic equities.

U.S. Treasury yields increased solidly over the week as the inversion of the yield curve grew to its widest margin since the early 1980s as fears rose that the Fed will need to push the economy into a recession to tame inflation. The 10-year U.S. Treasury yield climbed to 3.74% while the 2-year yield hit a two-month high of 4.50%. Returns were negative across the quality and duration spectrum as short duration government bonds were the best performing segment. Yields increased for investment grade corporate bonds and high yield bonds, ending the week above 5.2% and 8.4%, respectively.

Economic data was generally better than expected as Fed speak dominated the relatively light week. U.S. consumer credit grew by 2.9% in December, the slowest pace in two years as rising interest rates cause households to cut back on borrowing. U.S. wholesale inventories grew at a reduced pace in December, rising only 0.1%, as wholesalers scaled back their restocking efforts amidst weakened demand. Initial jobless claims were slightly higher than expected, coming in at 196,000 for the week ending February 4th. The preliminary consumer sentiment index rose to a 13-month high of 66.4 in early February as Americans grow more optimistic about the U.S. economy. As a surprise to many, the Bank of Japan (BoJ) appointed Kazuo Ueda as the central bank's next governor. Ueda, an economist and former member of the BoJ Board, had not been mentioned as a shortlisted candidate.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-0.97%	-1.24%	-1.52%	-0.55%	0.30%	1.18%	4.61%	7.02%	9.62%	4.61%	7.02%	9.62%
Mid	-1.60%	-1.68%	-1.81%	-0.69%	-0.26%	0.55%	7.33%	8.03%	9.33%	7.33%	8.03%	9.33%
Small	-3.44%	-3.34%	-3.24%	-0.76%	-0.64%	-0.52%	8.71%	9.05%	9.38%	8.71%	9.05%	9.38%

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	-0.55%	-0.83%	-2.92%	-0.74%	-1.06%	-3.09%	0.35%	0.52%	3.11%	0.35%	0.52%	3.11%
Corp	-0.58%	-1.04%	-3.29%	-0.63%	-1.03%	-3.09%	0.94%	1.46%	3.60%	0.94%	1.46%	3.60%
HY	-1.15%	-1.77%	-2.13%	-0.29%	-0.70%	-0.70%	2.77%	3.04%	4.31%	2.77%	3.04%	4.31%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.07%	0.40%	6.71%	6.71%
S&P MidCap 400	-2.49%	-0.45%	8.74%	8.74%
Russell 2000	-3.34%	-0.64%	9.05%	9.05%
MSCI EAFE	-1.57%	-0.70%	7.34%	7.34%
MSCI Emerging Markets	-2.40%	-1.72%	6.04%	6.04%
MSCI EAFE Small Cap	-2.08%	-1.03%	6.36%	6.36%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.89%	-1.04%	0.80%	0.80%
Bloomberg US Agg	-1.43%	-1.48%	1.55%	1.55%
Bloomberg US High Yield	-1.78%	-0.70%	3.09%	3.09%
Other				
Bloomberg Commodity	1.59%	-2.67%	-3.15%	-3.15%
S&P Dev Property	-2.44%	-1.03%	7.77%	7.77%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-2.11%	-0.37%	14.59%	14.59%
Consumer Staples	-0.52%	-1.03%	-1.91%	-1.91%
Energy	5.05%	0.25%	3.07%	3.07%
Financials	-0.34%	-0.18%	6.67%	6.67%
Health Care	-0.19%	-0.65%	-2.50%	-2.50%
Industrials	-0.68%	0.30%	4.02%	4.02%
Info Technology	-1.02%	3.23%	12.85%	12.85%
Materials	-1.65%	-3.08%	5.63%	5.63%
Real Estate	-2.06%	-1.23%	8.52%	8.52%
Communication Svcs	-6.59%	-1.20%	13.13%	13.13%
Utilities	-0.26%	-1.99%	-3.95%	-3.95%

Bond Yields

	2/10/23	1/31/23	12/31/22	12/31/22
3Mo Libor	4.87%	4.81%	4.77%	4.77%
SOFR 3Mo Swap	4.76%	4.68%	4.59%	4.59%
2Yr Treasury	4.50%	4.21%	4.41%	4.41%
10Yr Treasury	3.74%	3.52%	3.88%	3.88%
2-10 Slope	-0.76%	-0.69%	-0.53%	-0.53%

Commodities and Currency

	2/10/23	1/31/23	12/31/22	12/31/22
Oil (\$/barrel)	79.72	78.87	80.26	80.26
Gold (\$/oz.)	1865.57	1928.36	1824.02	1824.02

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