

Weekly Market Update



Market Data as of Week Ending: 2/17/2023 unless noted otherwise

U.S. stock prices ended the week mixed as investors weighed healthy growth signals against cloudy monetary policy and inflation outlooks. Fourth quarter earnings season continues to produce subpar results with earnings expected to decline 4.7% compared with the same quarter a year ago. Value stocks underperformed their growth-oriented counterparts while small and mid-sized companies generally outperformed their large-cap peers. Returns across the eleven economic sectors were mixed with consumer discretionary and utilities being the best-performing sectors. The energy sector was the prominent laggard as a strengthening dollar and weak U.S. manufacturing data weighed on oil prices. Developed foreign and emerging markets stocks were mixed for the week as both lagged domestic equities.

U.S. Treasury yields increased solidly over the week as stronger-than-expected January retail sales deepened inflationary concerns and seemed to validate Fed official's recent comments that there is more work to do to tame inflation. The 1-year U.S. Treasury yield crossed 5% for the first time since 2007 with the 2-year and 10-year U.S. Treasury yields ending the week at 4.60% and 3.82%, respectively. Returns were negative across the quality and duration spectrum as short-duration government bonds was the best-performing segment once again. Yields increased for investment-grade corporate bonds and high-yield bonds, ending the week above 5.3% and 8.6%, respectively.

Economic data was generally mixed as a hotter-than-expected CPI report kicked off the week. The cost of living rose 0.5% in January, the biggest increase in three months, as higher housing costs and gasoline prices accounted for most of the increase. The NFIB small-business index rose to 90.3 in January as inflation pressures moderated slightly. U.S. retail sales increased 3% in January, the biggest rise in almost two years, as sales rose in every single major category. The Empire State manufacturing index rose to -5.8, a rebound of 27.1 points, but still marked the third month in a row of declining activity. U.S. wholesale prices rose 0.7% in January, which was above estimates and marked the biggest gain since June. The Philly Fed manufacturing index fell to -24.3 in February, its lowest level since May 2020. The U.S. leading economic index fell 0.3% in January, marking the tenth straight monthly decline. U.K. inflation fell for the third consecutive month to 10.1% in January, stoking hopes that the BoE may opt for a smaller interest rate hike in March.

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

	Value	<u>Week</u> Core	Growth	Value	<u>MTD</u> Core	Growth	Value	<u>QTD</u> Core	Growth	Value	<u>YTD</u> Core	Growth
Large	-0.26%	-0.03%	0.20%	-0.80%	0.27%	1.39%	4.34%	6.99%	9.84%	4.34%	6.99%	9.84%
Mid	0.24%	0.61%	1.29%	-0.45%	0.36%	1.85%	7.59%	8.69%	10.74%	7.59%	8.69%	10.74%
Small	1.31%	1.47%	1.63%	0.54%	0.82%	1.11%	10.13%	10.65%	11.16%	10.13%	10.65%	11.16%

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

	Short	<u>Week</u> Interm	Long	Short	<u>MTD</u> Interm	Long	Short	<u>QTD</u> Interm	Long	Short	<u>YTD</u> Interm	Long
Govt	-0.18%	-0.27%	-0.92%	-0.92%	-1.32%	-3.98%	0.17%	0.25%	2.16%	0.17%	0.25%	2.16%
Corp	-0.22%	-0.41%	-1.19%	-0.85%	-1.44%	-4.25%	0.72%	1.04%	2.36%	0.72%	1.04%	2.36%
HY	-0.52%	-0.85%	-1.74%	-0.81%	-1.54%	-2.43%	2.23%	2.16%	2.49%	2.23%	2.16%	2.49%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.20%	0.20%	6.50%	6.50%
S&P MidCap 400	1.06%	0.61%	9.89%	9.89%
Russell 2000	1.47%	0.82%	10.65%	10.65%
MSCI EAFE	0.12%	-0.58%	7.47%	7.47%
MSCI Emerging Markets	-1.38%	-3.07%	4.58%	4.58%
MSCI EAFE Small Cap	-0.22%	-1.24%	6.13%	6.13%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.31%	-1.35%	0.49%	0.49%
Bloomberg US Agg	-0.47%	-1.95%	1.07%	1.07%
Bloomberg US High Yield	-0.88%	-1.57%	2.18%	2.18%
Other				
Bloomberg Commodity	-1.88%	-4.50%	-4.97%	-4.97%
S&P Dev Property	-1.15%	-2.16%	6.54%	6.54%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	1.66%	1.28%	16.49%	16.49%
Consumer Staples	0.94%	-0.10%	-0.99%	-0.99%
Energy	-6.46%	-6.22%	-3.59%	-3.59%
Financials	-0.29%	-0.47%	6.36%	6.36%
Health Care	-0.32%	-0.97%	-2.82%	-2.82%
Industrials	0.85%	1.15%	4.91%	4.91%
Info Technology	-0.33%	2.89%	12.48%	12.48%
Materials	-0.91%	-3.96%	4.67%	4.67%
Real Estate	-1.35%	-2.56%	7.05%	7.05%
Communication Svcs	0.23%	-0.98%	13.39%	13.39%
Utilities	1.14%	-0.88%	-2.86%	-2.86%

Bond Yields

	2/17/23	1/31/23	12/31/22	12/31/22
3Mo Libor	4.92%	4.81%	4.77%	4.77%
SOFR 3Mo Swap	4.82%	4.68%	4.59%	4.59%
2Yr Treasury	4.60%	4.21%	4.41%	4.41%
10Yr Treasury	3.82%	3.52%	3.88%	3.88%
2-10 Slope	-0.78%	-0.69%	-0.53%	-0.53%

Commodities and Currency

	2/17/23	1/31/23	12/31/22	12/31/22
Oil (\$/barrel)	76.34	78.87	80.26	80.26
Gold (\$/oz.)	1842.36	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.