

Weekly Market Update



Market Data as of Week Ending: 2/24/2023 unless noted otherwise

U.S. stock prices ended the week lower as the S&P 500 recorded its worst weekly loss since early December, falling -2.66%, as investors are concerned that inflation may have reversed course and ongoing rate hikes from the Fed appear more likely. With the fourth quarter earnings season nearing the home stretch, 66% of S&P 500 companies have topped revenue estimates, and approximately 68% have exceeded earnings projections, both below their 5-year average. Value stocks generally outperformed their growth-oriented counterparts, while small and mid-sized companies underperformed their large-cap peers. Ten of the eleven economic sectors were negative, with consumer discretionary and communication services being the prominent laggards. The energy sector was the best performing sector, being the only one to notch a positive week as oil rebounded slightly. Developed foreign and emerging markets stocks were negative for the week but were mixed versus domestic equities.

U.S. Treasury yields increased solidly over the week as the hotter-than-expected inflation print and course of further interest-rate hikes were priced into the market. The 10-year U.S. Treasury yields ended the week at 3.95%, its highest level since November of 2022. The 2-year U.S. Treasury yield also increased, climbing to 4.78%. Returns were negative across the quality and duration spectrum as short and intermediate duration high yield bonds were the best performing segments. Yields increased for investment grade corporate bonds and high yield bonds, ending the week above 5.5% and 8.7%, respectively.

Economic data was generally mixed for the week. Flash S&P 500 manufacturing and services PMI readings showed improvement as both indices edged higher. U.S. existing home sales fell 0.7% to a seasonally adjusted rate of 4 million in January, marking the 12th straight monthly decline. The U.S. GDP was revised lower from 2.9% to 2.7% for the fourth quarter as consumer spending grew at 1.4% rather than the 2.1% that was originally reported. Consumer spending rose 1.8% in January, its largest increase in three months, as Americans spent more on prescription drugs and at restaurants. The U.S. savings rate rose to 4.7% from 4.5%, continuing its upward trend despite personal incomes only rising 0.6%. U.S. inflation jumped again as PCE rose by 0.6% in January, its largest increase since last summer. Consumer sentiment rose to a 13-month high of 67 in February, suggesting a higher degree of optimism about the economy among U.S. households. The U.K. and Germany both saw consumer confidence rebound from recent lows, with the U.K. recording its biggest improvement in nearly two years.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-2.43%	-2.68%	-2.94%	-3.21%	-2.42%	-1.59%	1.80%	4.12%	6.61%	1.80%	4.12%	6.61%
Mid	-2.64%	-2.81%	-3.11%	-3.08%	-2.46%	-1.32%	4.75%	5.64%	7.30%	4.75%	5.64%	7.30%
Small	-2.97%	-2.86%	-2.74%	-2.45%	-2.05%	-1.66%	6.86%	7.49%	8.12%	6.86%	7.49%	8.12%

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	-0.44%	-0.61%	-1.43%	-1.35%	-1.92%	-5.35%	-0.27%	-0.36%	0.71%	-0.27%	-0.36%	0.71%
Corp	-0.50%	-0.73%	-1.49%	-1.35%	-2.17%	-5.67%	0.21%	0.30%	0.84%	0.21%	0.30%	0.84%
HY	-0.15%	-0.15%	-0.81%	-0.97%	-1.68%	-3.22%	2.07%	2.01%	1.67%	2.07%	2.01%	1.67%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-2.66%	-2.46%	3.66%	3.66%
S&P MidCap 400	-2.44%	-1.84%	7.21%	7.21%
Russell 2000	-2.86%	-2.05%	7.49%	7.49%
MSCI EAFE	-2.41%	-2.98%	4.88%	4.88%
MSCI Emerging Markets	-2.74%	-5.73%	1.72%	1.72%
MSCI EAFE Small Cap	-2.13%	-3.35%	3.87%	3.87%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.64%	-1.98%	-0.15%	-0.15%
Bloomberg US Agg	-0.89%	-2.82%	0.16%	0.16%
Bloomberg US High Yield	-0.17%	-1.74%	2.00%	2.00%
Other				
Bloomberg Commodity	-0.83%	-5.30%	-5.76%	-5.76%
S&P Dev Property	-2.75%	-4.85%	3.61%	3.61%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.43%	-3.21%	11.33%	11.33%
Consumer Staples	-1.40%	-1.50%	-2.38%	-2.38%
Energy	0.17%	-6.06%	-3.42%	-3.42%
Financials	-1.95%	-2.42%	4.29%	4.29%
Health Care	-2.67%	-3.61%	-5.41%	-5.41%
Industrials	-2.64%	-1.52%	2.14%	2.14%
Info Technology	-2.70%	0.11%	9.44%	9.44%
Materials	-0.12%	-4.07%	4.55%	4.55%
Real Estate	-3.77%	-6.23%	3.02%	3.02%
Communication Svcs	-4.37%	-5.31%	8.43%	8.43%
Utilities	-2.75%	-3.60%	-5.53%	-5.53%

Bond Yields

	2/24/23	1/31/23	12/31/22	12/31/22
3Mo Libor	4.95%	4.81%	4.77%	4.77%
SOFR 3Mo Swap	4.88%	4.68%	4.59%	4.59%
2Yr Treasury	4.78%	4.21%	4.41%	4.41%
10Yr Treasury	3.95%	3.52%	3.88%	3.88%
2-10 Slope	-0.83%	-0.69%	-0.53%	-0.53%

Commodities and Currency

	2/24/23	1/31/23	12/31/22	12/31/22
Oil (\$/barrel)	76.32	78.87	80.26	80.26
Gold (\$/oz.)	1811.04	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.