

# Weekly Market Update



Market Data as of Week Ending: 1/21/2022 unless noted otherwise

U.S. stock indexes declined for the third consecutive week as the S&P 500 recorded its worst weekly performance since March 2020. The tech heavy Nasdaq Composite reached a correction level as the index was down more than 10% from its most recent high. Market sentiment continues to be focused on the prospect of higher interest rates to deal with persistent inflation. Growth stocks lagged for the third consecutive week as the threat of higher interest rates and slower economic growth weighs on prices. Smaller sized companies generally underperformed and dispersion across sectors widened. All eleven sectors recorded losses and defensive sectors such as consumer staples, utilities, and real estate outperformed. Consumer discretionary, communication services, and information technology lagged and were among the worst performing sectors. Both developed foreign and emerging market stocks declined for the week but still outperformed U.S. stocks.

U.S. Treasury yields rose early in the week, surpassing the highest levels since before the pandemic, but finished the week lower and the 10-year finished the week at 1.76%. Treasury markets have been volatile to start the year, weighing economic data that generally supports higher rates with strong demand for the safe-haven asset. Most segments of the bond market declined; however, government bonds were the outlier as the intermediate and long maturities recorded gains for the week. As investors rotated out of risk assets, yields rose for both investment grade corporate bonds and high yield corporate bonds and finished the week above 2.7% and 5.2%, respectively.

Economic data releases showed mixed results in a week that lacked a headline report. Existing home sales surged by more than 8% in 2021 to 6.12 million, which according to the National Association of Realtors is the highest level in more than 15 years. Housing starts unexpectedly rose for the month of December and grew by more than 15% in 2021 to nearly 1.6 million. Weekly initial jobless claims unexpectedly jumped to 268,000, the highest since October 2021, as businesses face a surge in coronavirus cases. Inflation is proving to be a problem globally. In Europe, the UK reported that consumer prices increased 5.4%, the fastest rate in nearly three decades.

## 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	-4.57%	-5.81%	-6.99%	-3.64%	-8.19%	-12.25%	-3.64%	-8.19%	-12.25%	-3.64%	-8.19%	-12.25%
Mid	-5.71%	-6.08%	-6.81%	-5.88%	-9.40%	-15.70%	-5.88%	-9.40%	-15.70%	-5.88%	-9.40%	-15.70%
Small	-7.31%	-8.07%	-8.89%	-6.97%	-11.44%	-15.88%	-6.97%	-11.44%	-15.88%	-6.97%	-11.44%	-15.88%

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

	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	-0.02%	0.03%	0.97%	-0.70%	-1.03%	-3.39%	-0.70%	-1.03%	-3.39%	-0.70%	-1.03%	-3.39%
Corp	-0.14%	-0.15%	-0.11%	-0.87%	-1.45%	-4.11%	-0.87%	-1.45%	-4.11%	-0.87%	-1.45%	-4.11%
HY	-0.35%	-0.63%	-1.34%	-0.60%	-1.35%	-4.02%	-0.60%	-1.35%	-4.02%	-0.60%	-1.35%	-4.02%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-5.67%	-7.66%	-7.66%	-7.66%
S&P MidCap 400	-6.76%	-8.67%	-8.67%	-8.67%
Russell 2000	-8.07%	-11.44%	-11.44%	-11.44%
MSCI EAFE	-2.08%	-2.19%	-2.19%	-2.19%
MSCI Emerging Markets	-1.04%	1.03%	1.03%	1.03%
MSCI EAFE Small Cap	-3.10%	-4.70%	-4.70%	-4.70%
Fixed Income (Bonds)				
Barclays Int Gov/Credit	-0.02%	-1.16%	-1.16%	-1.16%
Barclays US Agg	0.05%	-1.77%	-1.77%	-1.77%
Barclays US High Yield	-0.68%	-1.54%	-1.54%	-1.54%
Other				
Bloomberg Commodity	1.76%	6.25%	6.25%	6.25%
S&P Dev Property	-2.97%	-5.91%	-5.91%	-5.91%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-8.48%	-12.16%	-12.16%	-12.16%
Consumer Staples	-1.42%	-1.43%	-1.43%	-1.43%
Energy	-3.08%	12.84%	12.84%	12.84%
Financials	-6.44%	-2.17%	-2.17%	-2.17%
Health Care	-3.41%	-8.08%	-8.08%	-8.08%
Industrials	-4.40%	-4.36%	-4.36%	-4.36%
Info Technology	-6.94%	-11.34%	-11.34%	-11.34%
Materials	-5.36%	-7.29%	-7.29%	-7.29%
Real Estate	-2.87%	-9.56%	-9.56%	-9.56%
Communication Svcs	-7.05%	-8.90%	-8.90%	-8.90%
Utilities	-0.79%	-3.75%	-3.75%	-3.75%

## Bond Yields

	1/21/22	12/31/21	12/31/21	12/31/21
3Mo Libor	0.26%	0.21%	0.21%	0.21%
SOFR 3Mo Swap	0.16%	0.09%	0.09%	0.09%
2Yr Treasury	1.01%	0.73%	0.73%	0.73%
10Yr Treasury	1.76%	1.51%	1.51%	1.51%
2-10 Slope	0.76%	0.78%	0.78%	0.78%

## Commodities and Currency

	1/21/22	12/31/21	12/31/21	12/31/21
Oil (\$/barrel)	86.24	76.99	76.99	76.99
Gold (\$/oz.)	1835.38	1829.2	1829.2	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.