

Weekly Market Update



Market Data as of Week Ending: 1/28/2022 unless noted otherwise

U.S. stock prices rallied on Friday and most of the major indexes ended the week with a small gain. Despite those gains, volatility remains elevated and market sentiment is fragile as the Fed made it clear their top priority in 2022 will be addressing persistent inflation. Growth stocks outperformed value and smaller sized companies generally lagged their larger counterparts. Small caps continue to struggle as the Russell 2000 Index ended the week down nearly 20% from its prior high in November. Strong fundamentals in information technology drove the sector to outperform while higher oil prices supported gains in the energy sector. Industrials, utilities, and consumer discretionary lagged and were among the worst performing sectors. Both developed foreign and emerging market stocks declined for the week and underperformed U.S. stocks, breaking a streak of three consecutive weeks of relative gains.

U.S. Treasury yields ended the week slightly higher as the 10-year finished the week at 1.77%. Treasury market volatility seems to have settled for the time being, but the Fed indicated that they are still working through plans to reduce the balance sheet that has nearly \$9 billion in mostly treasury and mortgage securities. All segments of the bond market declined; however, government bonds were the best performing asset class and short duration outperformed longer duration bonds. As investors continue to show risk aversion, yields rose for both investment grade corporate bonds and high yield corporate bonds and finished the week above 2.8% and 5.5%, respectively.

Economic data releases were mixed and headlined by the first estimate of fourth quarter economic growth, as measured by Gross Domestic Product (GDP). U.S. GDP advanced 6.9% for the quarter, which was better than expected, and rose 5.7% for 2021, its fastest pace since 1984. Purchasing Managers Index (PMI) data for the service and manufacturing sectors dropped to 50.8, its lowest level in 18 months as the surge in coronavirus cases caused supply delays and labor shortages. In Europe, composite PMI data fell to 52.4, an 11-month low; however, the manufacturing sector was more resilient than services and reached a five-month high as supply bottlenecks eased in the region.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.20%	0.67%	1.13%	-3.44%	-7.58%	-11.25%	-3.44%	-7.58%	-11.25%	-3.44%	-7.58%	-11.25%
Mid	-0.04%	-0.31%	-0.85%	-5.92%	-9.68%	-16.42%	-5.92%	-9.68%	-16.42%	-5.92%	-9.68%	-16.42%
Small	-0.69%	-0.97%	-1.28%	-7.61%	-12.30%	-16.96%	-7.61%	-12.30%	-16.96%	-7.61%	-12.30%	-16.96%

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

	Week			MTD			QTD			YTD		
	Short	Interm	Long									
Govt	-0.25%	-0.26%	-0.36%	-0.95%	-1.29%	-3.74%	-0.95%	-1.29%	-3.74%	-0.95%	-1.29%	-3.74%
Corp	-0.37%	-0.50%	-1.43%	-1.23%	-1.94%	-5.48%	-1.23%	-1.94%	-5.48%	-1.23%	-1.94%	-5.48%
HY	-0.82%	-1.22%	-2.13%	-1.42%	-2.56%	-6.06%	-1.42%	-2.56%	-6.06%	-1.42%	-2.56%	-6.06%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	0.79%	-6.93%	-6.93%	-6.93%
S&P MidCap 400	-0.61%	-9.22%	-9.22%	-9.22%
Russell 2000	-0.97%	-12.30%	-12.30%	-12.30%
MSCI EAFE	-3.61%	-5.73%	-5.73%	-5.73%
MSCI Emerging Markets	-4.26%	-3.28%	-3.28%	-3.28%
MSCI EAFE Small Cap	-4.13%	-8.64%	-8.64%	-8.64%
Fixed Income (Bonds)				
Barclays Int Gov/Credit	-0.34%	-1.49%	-1.49%	-1.49%
Barclays US Agg	-0.36%	-2.13%	-2.13%	-2.13%
Barclays US High Yield	-1.28%	-2.80%	-2.80%	-2.80%
Other				
Bloomberg Commodity	1.70%	8.06%	8.06%	8.06%
S&P Dev Property	-0.90%	-6.75%	-6.75%	-6.75%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.95%	-12.99%	-12.99%	-12.99%
Consumer Staples	-0.42%	-1.85%	-1.85%	-1.85%
Energy	5.09%	18.58%	18.58%	18.58%
Financials	1.36%	-0.84%	-0.84%	-0.84%
Health Care	0.77%	-7.38%	-7.38%	-7.38%
Industrials	-1.47%	-5.77%	-5.77%	-5.77%
Info Technology	2.27%	-9.32%	-9.32%	-9.32%
Materials	-0.93%	-8.16%	-8.16%	-8.16%
Real Estate	-0.10%	-9.65%	-9.65%	-9.65%
Communication Svcs	0.55%	-8.40%	-8.40%	-8.40%
Utilities	-1.35%	-5.06%	-5.06%	-5.06%

Bond Yields

	1/28/22	12/31/21	12/31/21	12/31/21
3Mo Libor	0.32%	0.21%	0.21%	0.21%
SOFR 3Mo Swap	0.20%	0.09%	0.09%	0.09%
2Yr Treasury	1.16%	0.73%	0.73%	0.73%
10Yr Treasury	1.77%	1.51%	1.51%	1.51%
2-10 Slope	0.61%	0.78%	0.78%	0.78%

Commodities and Currency

	1/28/22	12/31/21	12/31/21	12/31/21
Oil (\$/barrel)	86.82	76.99	76.99	76.99
Gold (\$/oz.)	1791.53	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.