

Weekly Market Update



Market Data as of Week Ending: 2/11/2022 unless noted otherwise

U.S. stock markets experienced another choppy week, as market sentiment appears to be in conflict between healthy earnings growth and fears over monetary tightening. The S&P 500 ended the week -1.79% lower as renewed concerns about inflation and geopolitical tensions in Ukraine rise. With earnings season coming to an end, the percent of S&P 500 companies which had beaten analysts' net income expectations as of Friday stood at 77%, according to FactSet, slightly above the 76% five-year average. Growth stocks slumped towards the end of last week and underperformed value while smaller sized companies outpaced their larger counterparts. Energy once again was the top-performing sector as rising oil prices have been a key reason. Communication services, information technology and consumer discretionary weighed on the broader market. Both developed foreign and emerging market stocks increased for the week and outperformed U.S. stocks.

U.S. Treasury yields ended the week slightly higher due to higher-than-expected inflation numbers. The 10-year eclipsed 2% for the first time since 2019 before finishing the week at 1.94%. The 2s10s spread narrowed to 0.43% after the 2-year saw its biggest daily gain since 2009. All segments of the bond market declined; however, corporate and government fared slightly better while 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 3.0% and 5.9%, respectively.

Economic data releases mostly missed the mark as the week was headlined by the January CPI report which showed the U.S. inflation rate rose to a 40-year high. The consumer price index rose 0.6% in January, bringing the year-over-year increase to 7.5% as big advances in rent, food and energy led. The NFIB's small business optimism index slipped to 97.1 in January, an 11-month low as the number of small businesses that raised prices in January rose to a 48-year high. The University of Michigan's initial February consumer sentiment reading fell to a decade low of 61.7 as inflation expectations hit a 13-year high. The BoJ announced it would buy an unlimited amount of 10-year JGBs at a yield of 0.25% to curb rising yields after the JGB yield rose to its highest level since 2016.

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

| | Week | | | MTD | | | QTD | | | YTD | | |
|-------|--------|--------|--------|-------|--------|--------|--------|--------|---------|--------|--------|---------|
| | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth |
| Large | -0.45% | -1.56% | -2.62% | 0.00% | -1.90% | -3.71% | -2.33% | -7.44% | -11.97% | -2.33% | -7.44% | -11.97% |
| Mid | 0.25% | 0.18% | 0.04% | 0.29% | -0.04% | -0.68% | -3.99% | -7.40% | -13.49% | -3.99% | -7.40% | -13.49% |
| Small | 1.35% | 1.42% | 1.49% | 0.46% | 0.13% | -0.23% | -5.39% | -9.51% | -13.60% | -5.39% | -9.51% | -13.60% |

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

| | Week | | | MTD | | | QTD | | | YTD | | |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Short | Interm | Long | Short | Interm | Long | Short | Interm | Long | Short | Interm | Long |
| Govt | -0.33% | -0.28% | -0.44% | -0.74% | -0.86% | -2.50% | -1.68% | -2.13% | -6.52% | -1.68% | -2.13% | -6.52% |
| Corp | -0.29% | -0.27% | -0.59% | -0.68% | -0.93% | -2.57% | -1.89% | -2.80% | -8.04% | -1.89% | -2.80% | -8.04% |
| HY | -0.48% | -0.91% | -1.78% | -0.69% | -1.25% | -2.50% | -2.02% | -3.71% | -8.38% | -2.02% | -3.71% | -8.38% |

Index Returns

| | Week | MTD | QTD | YTD |
|-----------------------------|--------|--------|--------|--------|
| Equities (Stocks) | | | | |
| S&P 500 | -1.79% | -2.09% | -7.16% | -7.16% |
| S&P MidCap 400 | 0.95% | 0.51% | -6.74% | -6.74% |
| Russell 2000 | 1.42% | 0.13% | -9.51% | -9.51% |
| MSCI EAFE | 1.42% | 2.58% | -2.38% | -2.38% |
| MSCI Emerging Markets | 1.60% | 2.70% | 0.75% | 0.75% |
| MSCI EAFE Small Cap | 1.10% | 2.22% | -5.26% | -5.26% |
| Fixed Income (Bonds) | | | | |
| Barclays Int Gov/Credit | -0.28% | -0.88% | -2.34% | -2.34% |
| Barclays US Agg | -0.41% | -1.32% | -3.45% | -3.45% |
| Barclays US High Yield | -0.96% | -1.33% | -4.03% | -4.03% |
| Other | | | | |
| Bloomberg Commodity | 0.30% | 1.89% | 10.84% | 10.84% |
| S&P Dev Property | -0.69% | -1.50% | -7.17% | -7.17% |

S&P 500 Sector Returns

| | Week | MTD | QTD | YTD |
|--------------------|--------|--------|---------|---------|
| Consumer Disc | -2.23% | -2.11% | -11.58% | -11.58% |
| Consumer Staples | -0.87% | -0.94% | -2.30% | -2.30% |
| Energy | 2.09% | 6.71% | 27.10% | 27.10% |
| Financials | 0.02% | 2.67% | 2.73% | 2.73% |
| Health Care | -1.45% | -0.79% | -7.49% | -7.49% |
| Industrials | -0.73% | -1.39% | -6.05% | -6.05% |
| Info Technology | -2.89% | -4.38% | -10.96% | -10.96% |
| Materials | 1.15% | -0.49% | -7.29% | -7.29% |
| Real Estate | -2.85% | -4.31% | -12.51% | -12.51% |
| Communication Svcs | -3.86% | -6.35% | -12.16% | -12.16% |
| Utilities | -2.14% | -3.17% | -6.33% | -6.33% |

Bond Yields

| | 2/11/22 | 1/31/22 | 12/31/21 | 12/31/21 |
|---------------|---------|---------|----------|----------|
| 3Mo Libor | 0.51% | 0.31% | 0.21% | 0.21% |
| SOFR 3Mo Swap | 0.35% | 0.21% | 0.09% | 0.09% |
| 2Yr Treasury | 1.51% | 1.18% | 0.73% | 0.73% |
| 10Yr Treasury | 1.94% | 1.78% | 1.51% | 1.51% |
| 2-10 Slope | 0.44% | 0.60% | 0.78% | 0.78% |

Commodities and Currency

| | 2/11/22 | 1/31/22 | 12/31/21 | 12/31/21 |
|-----------------|---------|---------|----------|----------|
| Oil (\$/barrel) | 93.1 | 88.15 | 76.99 | 76.99 |
| Gold (\$/oz.) | 1858.76 | 1797.17 | 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.