

Weekly Market Update



Market Data as of Week Ending: 8/25/2023 unless noted otherwise

U.S. stock indexes ended the volatile week mixed as investors were left to digest mixed economic signals and debate the course of monetary policy. Federal Reserve Chair Jerome Powell took a slightly more dovish stance as he addressed future monetary policy, stating the need to proceed carefully as it relates to future rate hikes. The S&P 500 closed 1% higher or lower on consecutive days for the first time since March before ending the week 0.84% higher. Value stocks once again lagged their growth counterparts as large companies outperformed their mid and small-sized peers. Information technology was once again the best-performing sector as strong returns from NVIDIA helped lift the sector. Energy shares lagged for the week as oil prices declined as ongoing worries over China and mixed economic data sparked demand concerns. Developed foreign and emerging markets stocks experienced mixed results but ultimately underperformed relative to domestic stocks.

U.S. Treasury yields rose again last week as Federal Reserve Chair Jerome Powell reiterated that there is still a long way to go to get inflation back to their 2% target. Yields on the front end of the curve moved more dramatically as the 2-year U.S. Treasury rose 11bps to 5.03%, while the 10-year ended the week relatively flat at 4.25%. Long-duration corporate bonds were the best-performing segment, while short-duration government bonds were the worst-performing segment. Yields for investment-grade corporate bonds and high-yield bonds remained relatively level, ending the week at 5.8% and 8.7%, respectively.

Economic data released last week spurred concern about a slowdown in U.S. economic activity. Existing home sales fell to a six-month low of 4.07 million in July as buyers are pulling back, with mortgage rates hovering around 7.5%. The S&P Global flash U.S. services sector index fell to a six-month low of 51 in August, while the S&P U.S. manufacturing index went from 49 to 47, slipping further into negative territory. New home sales continue to fare better than existing, growing by 4.4% in July as inventory issues force buyers to consider new builds. Durable goods orders fell by 5.2% in July as orders for commercial planes fell by 44% over the month - excluding transportation, orders increased by 0.5%. The University of Michigan consumer sentiment index slid to 69.5 in August, close to its two-year high, but concerns about the future of the economy weighed on the reading. Eurozone bond yields and currencies fell as business activity fell to the lowest level in nearly three 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	-0.21%	0.81%	1.73%	-4.08%	-4.12%	-4.15%	-0.70%	-0.82%	-0.92%	4.38%	15.72%	27.82%
Mid	-0.16%	0.12%	0.84%	-5.62%	-5.72%	-5.98%	-1.51%	-1.98%	-3.14%	3.65%	6.85%	12.30%
Small	-0.91%	-0.29%	0.36%	-6.95%	-7.34%	-7.76%	0.07%	-1.68%	-3.45%	2.58%	6.27%	9.64%

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	-0.12%	-0.09%	1.25%	-0.25%	-0.61%	-4.17%	0.04%	-0.50%	-6.24%	1.01%	0.60%	-2.75%
Corp	0.00%	0.15%	1.56%	-0.47%	-0.95%	-3.40%	0.20%	-0.37%	-3.53%	1.95%	1.96%	1.18%
HY	0.33%	0.42%	0.27%	-0.18%	-0.63%	-1.85%	1.06%	0.75%	-0.70%	6.11%	6.18%	4.42%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	0.84%	-3.86%	-0.77%	15.99%
S&P MidCap 400	0.03%	-5.36%	-1.46%	7.26%
Russell 2000	-0.29%	-7.34%	-1.68%	6.27%
MSCI EAFE	-0.18%	-6.43%	-3.41%	7.87%
MSCI Emerging Markets	0.74%	-7.06%	-1.27%	3.56%
MSCI EAFE Small Cap	-0.25%	-6.24%	-2.08%	3.33%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.01%	-0.72%	-0.46%	1.04%
Bloomberg US Agg	0.28%	-1.58%	-1.64%	0.41%
Bloomberg US High Yield	0.42%	-0.66%	0.71%	6.13%
Other				
Bloomberg Commodity	1.29%	-1.37%	4.80%	-3.36%
S&P Dev Property	0.66%	-5.21%	-1.47%	0.06%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	1.14%	-4.68%	-2.35%	29.94%
Consumer Staples	-0.73%	-4.16%	-2.10%	-0.85%
Energy	-1.37%	0.11%	7.52%	1.59%
Financials	0.08%	-3.87%	0.80%	0.27%
Health Care	-0.08%	-0.52%	0.50%	-0.99%
Industrials	0.30%	-3.50%	-0.70%	9.41%
Info Technology	2.58%	-5.30%	-2.76%	38.83%
Materials	-0.01%	-5.74%	-2.52%	5.02%
Real Estate	0.76%	-4.47%	-3.28%	0.39%
Communication Svcs	0.98%	-4.23%	2.42%	39.54%
Utilities	0.27%	-5.16%	-2.81%	-8.34%

Bond Yields

	8/25/23	7/31/23	6/30/23	12/31/22
3Mo Libor	5.67%	5.63%	5.55%	4.77%
SOFR 3Mo Swap	5.41%	5.36%	5.26%	4.59%
2Yr Treasury	5.03%	4.88%	4.87%	4.41%
10Yr Treasury	4.25%	3.97%	3.81%	3.88%
2-10 Slope	-0.78%	-0.91%	-1.06%	-0.53%

Commodities and Currency

	8/25/23	7/31/23	6/30/23	12/31/22
Oil (\$/barrel)	80.48	81.8	70.64	80.26
Gold (\$/oz.)	1914.96	1965.09	1919.35	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.