

Weekly Market Update



Market Data as of Week Ending: 10/6/2023 unless noted otherwise

Stock prices were mixed again last week as investor sentiment improved for growth. The S&P 500 ended with a gain, following four consecutive weekly declines. Near-term risks have become more balanced as the government avoided a shutdown, oil prices stabilized, and job growth was much better than expected. Growth stocks maintained their leadership position and outperformed value for the week, while large companies outperformed their small and mid-sized peers. Despite the overall performance of the S&P 500, most major economic sectors declined, with notable underperformance in the energy, consumer staples, and utilities sectors. The improvement in investor sentiment was primarily concentrated in growth-oriented sectors such as technology, communication services, and health care. Foreign-developed stock prices declined and lagged their domestic peers. Emerging markets finished the week down with results that landed between domestic and foreign developed.

U.S. Treasury yields continued their ascent as the 10-year yield reached the highest level in more than 15 years before settling down and ending the week at 4.78%. Yields increased across the curve, and the 2-year finished slightly higher at 5.08%. Rising yields have largely been a result of better-than-expected economic growth combined with less demand for Treasuries and fiscal challenges at the U.S. government. All segments of the bond market declined as credit spreads widened along with higher rates. Lower-quality bonds underperformed on the short and intermediate parts of the curve, but long-duration government bonds were the worst-performing segment, down nearly 4%. Yields increased for both U.S. Investment Grade Corporate and High Yield bonds to 6.23% and 9.34%, respectively.

Economic data was headlined by the September employment report that came in at 336,000 nonfarm jobs, nearly double the consensus estimate. Both the unemployment rate and labor force participation rate were unchanged at 3.8% and 62.8%, respectively. However, average hourly earnings slowed to a monthly gain of 0.2% and lowered the annual rate to 4.2%, its lowest level in more than two years. The strong jobs report was followed by a surge in job openings that rose by 690,000 from the prior month to 9.6 million in August. Several survey reports were released, including Manufacturing and Services PMI data from ISM. Manufacturing PMI came in higher compared to last month, but at 49.0, it remains in contractionary territory for the 11th consecutive month. Services PMI eased to 53.6 following a six-month high in August and has been in expansionary territory for nine consecutive months.

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

| | Week | | | MTD | | | QTD | | | YTD | | |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth | Value | Core | Growth |
| Large | -1.51% | 0.37% | 2.05% | -1.51% | 0.37% | 2.05% | -1.51% | 0.37% | 2.05% | 0.26% | 13.43% | 27.54% |
| Mid | -1.55% | -1.13% | -0.10% | -1.55% | -1.13% | -0.10% | -1.55% | -1.13% | -0.10% | -1.02% | 2.74% | 9.78% |
| Small | -2.60% | -2.19% | -1.77% | -2.60% | -2.19% | -1.77% | -2.60% | -2.19% | -1.77% | -3.11% | 0.29% | 3.38% |

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 | -0.13% | -0.40% | -3.77% | -0.13% | -0.40% | -3.77% | -0.13% | -0.40% | -3.77% | 1.02% | -0.08% | -11.95% |
| Corp | -0.27% | -0.71% | -2.94% | -0.27% | -0.71% | -2.94% | -0.27% | -0.71% | -2.94% | 1.73% | 0.63% | -5.57% |
| HY | -0.92% | -1.17% | -2.85% | -0.92% | -1.17% | -2.85% | -0.92% | -1.17% | -2.85% | 5.27% | 4.70% | 0.51% |

Index Returns

| | Week | MTD | QTD | YTD |
|--------------------------|--------|--------|--------|--------|
| Equities (Stocks) | | | | |
| S&P 500 | 0.52% | 0.52% | 0.52% | 13.66% |
| S&P MidCap 400 | -1.84% | -1.84% | -1.84% | 2.36% |
| Russell 2000 | -2.19% | -2.19% | -2.19% | 0.29% |
| MSCI EAFE | -1.85% | -1.85% | -1.85% | 5.10% |
| MSCI Emerging Markets | -1.61% | -1.61% | -1.61% | 0.18% |
| MSCI EAFE Small Cap | -2.84% | -2.84% | -2.84% | -1.07% |
| Fixed Income (Bonds) | | | | |
| Bloomberg Int Gov/Credit | -0.50% | -0.50% | -0.50% | 0.15% |
| Bloomberg US Agg | -1.17% | -1.17% | -1.17% | -2.36% |
| Bloomberg US High Yield | -1.21% | -1.21% | -1.21% | 4.58% |
| Other | | | | |
| Bloomberg Commodity | -2.06% | -2.06% | -2.06% | -5.43% |
| S&P Dev Property | -1.83% | -1.83% | -1.83% | -5.34% |

S&P 500 Sector Returns

| | Week | MTD | QTD | YTD |
|--------------------|--------|--------|--------|---------|
| Consumer Disc | -0.26% | -0.26% | -0.26% | 26.34% |
| Consumer Staples | -3.10% | -3.10% | -3.10% | -7.72% |
| Energy | -5.39% | -5.39% | -5.39% | 0.32% |
| Financials | -0.41% | -0.41% | -0.41% | -2.05% |
| Health Care | 0.97% | 0.97% | 0.97% | -3.17% |
| Industrials | -0.58% | -0.58% | -0.58% | 3.89% |
| Info Technology | 2.97% | 2.97% | 2.97% | 38.71% |
| Materials | -0.74% | -0.74% | -0.74% | 1.85% |
| Real Estate | -1.52% | -1.52% | -1.52% | -6.88% |
| Communication Svcs | 3.24% | 3.24% | 3.24% | 44.98% |
| Utilities | -2.90% | -2.90% | -2.90% | -16.90% |

Bond Yields

| | 10/6/23 | 9/30/23 | 9/30/23 | 12/31/22 |
|---------------|---------|---------|---------|----------|
| 3Mo Libor | 5.67% | 5.66% | 5.66% | 4.77% |
| SOFR 3Mo Swap | 5.42% | 5.39% | 5.39% | 4.59% |
| 2Yr Treasury | 5.08% | 5.03% | 5.03% | 4.41% |
| 10Yr Treasury | 4.78% | 4.59% | 4.59% | 3.88% |
| 2-10 Slope | -0.30% | -0.44% | -0.44% | -0.53% |

Commodities and Currency

| | 10/6/23 | 9/30/23 | 9/30/23 | 12/31/22 |
|-----------------|---------|---------|---------|----------|
| Oil (\$/barrel) | 82.79 | 90.79 | 90.79 | 80.26 |
| Gold (\$/oz.) | 1833.01 | 1848.63 | 1848.63 | 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.