

Weekly Market Update



Market Data as of Week Ending: 1/12/2024 unless noted otherwise

Stock prices generally advanced as most major indexes finished the week with gains. Earnings season kicked off with several large banks that showed American consumers remain resilient. S&P 500 earnings growth expectations were softened, with the most recent forecasts coming in around 0% for the fourth quarter and 0.5% for the calendar year 2023. Large company stocks maintained their leadership position and finished the week outperforming their small and mid-cap peers, while the growth factor massively outperformed value. Sector results were mixed with strong gains coming from growth sectors such as information technology and communication services, followed by small increases in consumer discretionary, consumer staples, and health care. Energy and utilities were the worst-performing sectors for the week, followed by losses in materials and financials. Developed foreign equities finished the week with a gain but underperformed domestic, whereas emerging markets recorded a loss.

Fixed income performance pivoted again as yields declined across the curve. Both the 2 and 10-year treasury yields retreated, ending the week at 4.14% and 3.96%, respectively. The slope of the yield curve flattened out but remains inverted with the 2-10 slope at -0.18%. Long-duration corporate bonds outperformed while short-duration government bonds lagged. Yields on US Corporate and High Yield were also lower, ending the week at 5.08% and 7.89%, respectively.

Economic data was generally positive, with all eyes focused on the monthly inflation report that showed an increase of 0.3% for both headline and Core CPI in December. The headline figure came in slightly higher than expected, and annual inflation increased to 3.4%. However, the annual Core inflation rate decreased from 4.0% to 3.9%, and consumer expectations have also been trending lower, with the most recent figure from the Fed coming in at 3.0%. Investors were also paying close attention to the Producer Price Index (PPI), which came in lower than expected at -0.1% for the month and an annual increase of only 1%. Weekly jobless claims beat consensus expectations and came in lower at 202,000 with no signs of materially weaker employment conditions. International and wholesale trade reports showed a lower-than-expected trade deficit, and that led to an increase in the Atlanta Fed GDPNow from 2.0% to 2.2% for an estimated fourth-quarter GDP.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-0.28%	1.82%	3.66%	-0.62%	0.17%	0.84%	-0.62%	0.17%	0.84%	-0.62%	0.17%	0.84%
Mid	-0.01%	0.66%	2.29%	-1.64%	-1.52%	-1.24%	-1.64%	-1.52%	-1.24%	-1.64%	-1.52%	-1.24%
Small	-0.61%	0.00%	0.65%	-3.85%	-3.73%	-3.61%	-3.85%	-3.73%	-3.61%	-3.85%	-3.73%	-3.61%

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	0.65%	0.73%	0.44%	0.28%	0.15%	-2.30%	0.28%	0.15%	-2.30%	0.28%	0.15%	-2.30%
Corp	0.77%	0.95%	1.88%	0.29%	0.07%	-1.01%	0.29%	0.07%	-1.01%	0.29%	0.07%	-1.01%
HY	0.74%	0.96%	1.61%	-0.13%	-0.16%	0.04%	-0.13%	-0.16%	0.04%	-0.13%	-0.16%	0.04%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.87%	0.34%	0.34%	0.34%
S&P MidCap 400	0.60%	-1.87%	-1.87%	-1.87%
Russell 2000	0.00%	-3.73%	-3.73%	-3.73%
MSCI EAFE	0.87%	-0.40%	-0.40%	-0.40%
MSCI Emerging Markets	-0.57%	-2.65%	-2.65%	-2.65%
MSCI EAFE Small Cap	0.79%	-1.48%	-1.48%	-1.48%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.79%	0.12%	0.12%	0.12%
Bloomberg US Agg	0.92%	-0.29%	-0.29%	-0.29%
Bloomberg US High Yield	0.98%	-0.16%	-0.16%	-0.16%
Other				
Bloomberg Commodity	-0.58%	-0.49%	-0.49%	-0.49%
S&P Dev Property	0.88%	-1.07%	-1.07%	-1.07%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	1.53%	-1.97%	-1.97%	-1.97%
Consumer Staples	1.18%	1.23%	1.23%	1.23%
Energy	-2.39%	-1.29%	-1.29%	-1.29%
Financials	-0.51%	-0.11%	-0.11%	-0.11%
Health Care	0.96%	3.08%	3.08%	3.08%
Industrials	0.57%	-1.59%	-1.59%	-1.59%
Info Technology	4.87%	0.63%	0.63%	0.63%
Materials	-1.02%	-2.43%	-2.43%	-2.43%
Real Estate	0.66%	-1.25%	-1.25%	-1.25%
Communication Svcs	3.58%	2.42%	2.42%	2.42%
Utilities	-1.87%	-0.07%	-0.07%	-0.07%

Bond Yields

	1/12/24	12/31/23	12/31/23	12/31/23
3Mo Libor	5.58%	5.59%	5.59%	5.59%
SOFR 3Mo Swap	5.30%	5.33%	5.33%	5.33%
2Yr Treasury	4.14%	4.23%	4.23%	4.23%
10Yr Treasury	3.96%	3.88%	3.88%	3.88%
2-10 Slope	-0.18%	-0.35%	-0.35%	-0.35%

Commodities and Currency

	1/12/24	12/31/23	12/31/23	12/31/23
Oil (\$/barrel)	72.68	71.65	71.65	71.65
Gold (\$/oz.)	2049.06	2062.98	2062.98	2062.98

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.