

Weekly Market Update



Market Data as of Week Ending: 9/1/2023 unless noted otherwise

U.S. stock indexes rallied on a mix of economic data. Indications of moderating inflation and a loosening labor market gave investors confidence that the Fed rate hiking cycle is nearing the end. The S&P 500 returned 2.55% for the week, recovering from mid-August lows. A drop in longer-term yields helped boost the outperformance of growth stocks. Small cap stocks outperformed large cap but still lag year-to-date. Information Technology continued outperforming other sectors as NVIDIA and Apple continued to trade near all-time highs. Defensive sectors lagged for the week, reflecting a risk-on environment. Developed foreign and emerging markets were positive for the week but continue to trail domestic returns year-to-date.

U.S. Treasury yields ended the volatile week marginally lower as rate hike fears subsided. Yields trended lower throughout the week but sharply reversed Friday despite a jobs report that supports a "rate pause" narrative. The yield curve became less inverted as the 2-year yield dropped 16bps and the 30-year yield dropped 1bp. Long-duration high yield significantly outperformed, returning 1.81% for the week. Long-duration government bonds ended the week unchanged. Yields for investment-grade corporate bonds and high-yield bonds edged down, ending the week at 5.68% and 8.49%, respectively.

Economic data released last week indicates a cooling yet resilient economy that market participants believe is in line with the expectations of the Federal Reserve Chair, Jerome Powell. Nonfarm payrolls increased above expectations to 187K, but the previous two months were revised downward. Job openings fell 3.7% to 8.827M. JOLTs Job Quits decreased from 3.802M to 3.549M, and the unemployment rate crept higher to 3.8%. However, weekly hourly worked remained strong at 34.4, and the employment participation rate increased to 62.8%. Although inflation was muted as PCE rose .2% month-over-month and 3.3% year-over-year, higher prices eroded consumer confidence. The Conference Board Consumer Confidence Index declined to 106.1, offsetting two consecutive months of increases. Mortgage rates retracted slightly but remain elevated as the 30-year fixed ended the week at 7.08%. The second estimate of Q2 real GDP increased 2.1% from the preceding quarter, while GDI increased 0.5%, which further supports the narrative of a soft landing.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.94%	2.72%	3.43%	0.50%	0.25%	0.03%	1.22%	1.88%	2.47%	6.41%	18.88%	32.20%
Mid	2.79%	3.02%	3.59%	0.57%	0.61%	0.71%	1.24%	0.98%	0.34%	6.53%	10.07%	16.33%
Small	3.72%	3.67%	3.62%	1.39%	1.12%	0.83%	3.80%	1.93%	0.05%	6.39%	10.17%	13.61%

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	0.43%	0.48%	0.02%	-0.08%	-0.19%	-1.42%	0.47%	-0.03%	-6.22%	1.44%	1.08%	-2.73%
Corp	0.45%	0.50%	0.31%	-0.13%	-0.28%	-1.18%	0.65%	0.13%	-3.23%	2.41%	2.47%	1.49%
HY	0.74%	0.93%	1.81%	0.04%	0.01%	-0.09%	1.81%	1.69%	1.09%	6.89%	7.17%	6.30%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	2.55%	0.19%	1.76%	18.95%
S&P MidCap 400	3.55%	0.92%	2.05%	11.07%
Russell 2000	3.67%	1.12%	1.93%	10.17%
MSCI EAFE	2.53%	-0.24%	-0.96%	10.60%
MSCI Emerging Markets	1.52%	0.55%	0.23%	5.13%
MSCI EAFE Small Cap	2.90%	-0.20%	0.76%	6.33%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.49%	-0.22%	0.03%	1.53%
Bloomberg US Agg	0.48%	-0.47%	-1.17%	0.89%
Bloomberg US High Yield	0.95%	0.01%	1.67%	7.14%
Other				
Bloomberg Commodity	1.29%	0.67%	6.15%	-2.12%
S&P Dev Property	2.14%	-0.17%	0.64%	2.21%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	3.14%	-0.53%	0.72%	34.01%
Consumer Staples	-0.22%	-0.83%	-2.32%	-1.07%
Energy	3.78%	2.05%	11.59%	5.43%
Financials	2.08%	0.80%	2.89%	2.35%
Health Care	0.06%	0.23%	0.56%	-0.93%
Industrials	2.10%	0.53%	1.38%	11.71%
Info Technology	4.44%	0.23%	1.55%	44.99%
Materials	3.72%	1.08%	1.11%	8.93%
Real Estate	1.48%	-0.07%	-1.85%	1.87%
Communication Svcs	3.47%	-0.54%	5.97%	44.38%
Utilities	-1.57%	-0.52%	-4.33%	-9.78%

Bond Yields

	9/1/23	8/31/23	6/30/23	12/31/22
3Mo Libor	5.66%	5.66%	5.55%	4.77%
SOFR 3Mo Swap	5.39%	5.40%	5.26%	4.59%
2Yr Treasury	4.87%	4.85%	4.87%	4.41%
10Yr Treasury	4.18%	4.09%	3.81%	3.88%
2-10 Slope	-0.69%	-0.76%	-1.06%	-0.53%

Commodities and Currency

	9/1/23	8/31/23	6/30/23	12/31/22
Oil (\$/barrel)	85.55	83.63	70.64	80.26
Gold (\$/oz.)	1940.06	1940.19	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.