

Weekly Market Update

Market Data as of Week Ending: 8/12/2022 unless noted otherwise

U.S. stock prices moved higher for the fourth straight week, the longest string of weekly gains since November 2021, as investors welcomed the idea that consumer prices may have peaked. In a reversal from previous weeks, value stocks outperformed their growth counterparts while small and mid-sized companies continued their outperformance versus their large company peers. All eleven of the major economic sectors advanced for the week, led by energy, financials, and materials. Traditionally, defensive sectors such as consumer staples and health care lagged. Developed foreign and emerging stock prices moved higher but lagged the U.S. for the week.

U.S. Treasury yields ended the week relatively unchanged with the 10-year U.S. Treasury remaining at 2.83% as it appears the treasury market remains skeptical of a softening to monetary policy. Lower quality bonds outperformed for the fourth week in a row and were led by outperformance from long duration high yield bonds. Government and corporate bonds generally advanced across the duration spectrum, while long duration government was the only segment that failed to post a gain. Yields on investment grade and high yield corporate bonds declined, finishing the week at 4.4% and 7.5%, respectively.

Economic releases were generally positive for the week as Wednesday's cooler-than-expected CPI reading dominated headlines. The NFIB small-business index rose to 89.9 in July from 89.5, reflecting improved expectations among small-business owners. U.S. productivity fell at a -4.6% annual rate in the second quarter, marking the second consecutive quarterly decline as labor costs are rising sharply. The U.S. consumer price index was unchanged in July, keeping the 12-month inflation rate at 8.5% as the decline in used car prices and goods was able to offset the rise in cost of shelter and wages. The U.S. producer price index fell 0.5% in July, marking the first downshift since 2020 as energy prices fell 9%. The University of Michigan's preliminary consumer sentiment reading showed improvement as the index rose to 55.1 from 51.1 in July. The BoE expects a recession to begin at the end of the year as the U.K.'s GDP contracted by 0.1% in the second quarter.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	3.93%	3.39%	2.89%	3.69%	4.08%	4.45%	10.57%	13.77%	16.99%	-3.65%	-10.05%	-15.85%
Mid	4.62%	4.19%	3.43%	4.37%	4.91%	5.88%	13.35%	15.26%	18.84%	-5.04%	-9.60%	-18.00%
Small	5.20%	4.97%	4.76%	6.19%	7.03%	7.87%	16.47%	18.21%	19.95%	-3.69%	-9.48%	-15.38%

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	0.07%	0.07%	-0.74%	-0.73%	-0.89%	-1.39%	0.05%	0.43%	1.24%	-4.14%	-5.37%	-20.22%
Corp	0.33%	0.54%	0.73%	-0.34%	-0.32%	-0.24%	1.17%	2.04%	4.57%	-4.49%	-7.11%	-19.22%
HY	0.87%	0.94%	0.99%	1.53%	1.58%	2.22%	6.06%	7.54%	9.12%	-4.16%	-7.06%	-17.30%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	3.31%	3.71%	13.27%	-9.34%
S&P MidCap 400	4.46%	4.13%	15.43%	-7.12%
Russell 2000	4.97%	7.03%	18.21%	-9.48%
MSCI EAFE	2.16%	1.50%	6.56%	-14.29%
MSCI Emerging Markets	1.65%	2.63%	2.37%	-15.67%
MSCI EAFE Small Cap	2.99%	2.46%	9.23%	-17.76%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.21%	-0.71%	0.91%	-5.92%
Bloomberg US Agg	0.24%	-0.80%	1.63%	-8.89%
Bloomberg US High Yield	0.94%	1.60%	7.60%	-7.67%
Other				
Bloomberg Commodity	4.59%	1.23%	5.54%	25.00%
S&P Dev Property	4.12%	2.08%	10.19%	-12.27%
HFRX Global Hedge Fund	0.50%	0.64%	1.18%	-3.93%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	3.28%	4.49%	24.28%	-16.52%
Consumer Staples	1.25%	1.36%	4.70%	-1.14%
Energy	7.45%	0.15%	9.88%	44.87%
Financials	5.49%	5.48%	13.09%	-8.09%
Health Care	1.66%	0.95%	4.30%	-4.39%
Industrials	3.84%	4.44%	14.36%	-4.84%
Info Technology	2.47%	4.52%	18.67%	-13.26%
Materials	5.21%	3.85%	10.23%	-9.49%
Real Estate	4.10%	2.74%	11.30%	-10.53%
Communication Svcs	4.48%	5.69%	9.61%	-23.45%
Utilities	3.33%	3.76%	9.47%	8.86%

Bond Yields

	8/12/22	7/31/22	6/30/22	12/31/21
3Mo Libor	2.92%	2.79%	2.29%	0.21%
SOFR 3Mo Swap	2.72%	2.55%	2.10%	0.09%
2Yr Treasury	3.25%	2.89%	2.96%	0.73%
10Yr Treasury	2.83%	2.65%	3.02%	1.51%
2-10 Slope	-0.41%	-0.24%	0.06%	0.78%

Commodities and Currency

	8/12/22	7/31/22	6/30/22	12/31/21
Oil (\$/barrel)	92.09	98.62	105.76	76.99
Gold (\$/oz.)	1802.4	1765.94	1807.27	1829.2

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The market indexes discussed are unmanaged and generally considered representative of their respective markets. Index performance is not indicative of past performance of any particular investment. Indexes do not incur management fees, costs, and expenses. Indexes are not available for direct investment.

The S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks across major industries.

The Russell 2000 Index is a market-cap weighted index measuring the performance of approximately 2,000 smallest-cap weighted American companies in the Russell 3000 index. The Russell 3000 Index is a capitalization-weighted equity index that provides exposure to the entire U.S. stock market. The index tracks the performance of the 3,000 largest U.S.-traded stocks which represent about 98% of all U.S. incorporated equity securities.

The MSCI Indexes were created by Morgan Stanley Capital International and serves as a benchmark of the performance of major international equity markets. The EAFE, with 826 constituents across 21 developed markets around the world excluding the US and Canada covers approximately 85% of the free float-adjusted market capitalization of each country. The Emerging Markets Index, with 1,393 constituents, captures large and mid-cap representation across 24 Emerging Markets (EM) countries and covers approximately 85% of the free float-adjusted market capitalization in each country.

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