

Weekly Market Update



Market Data as of Week Ending: 8/19/2022 unless noted otherwise

U.S. stock prices ended the week lower, snapping a string of four consecutive weekly gains for the S&P 500 and NASDAQ as investors digested a host of earnings and economic data. The reversal in the market's rally came after the July FOMC meeting minutes revealed policymakers would likely continue to raise rates in the short term. Value stocks held up better than their growth counterparts while large companies outperformed their small and mid-sized peers. The S&P 500 experienced a relatively broad-based pullback amongst its sectors with only traditional defensive sectors, consumer staples and utilities, along with energy recording a gain. Cyclical and sensitive sectors such as communication services, materials, and financials fared the worst. Developed foreign and emerging stock prices moved lower and lagged the U.S. for the week.

U.S. Treasury yields were mixed last week as the Fed minutes impacted monetary policy expectations. The 10-year U.S. Treasury increased to 2.98%, up from 2.85%, as the 2-year remained at 3.24%. Returns were negative across the fixed income spectrum with quality leading to mixed results while shorter duration was positive. Government and corporate bonds outperformed across the short and intermediate duration, while long duration corporate was the worst performing segment. Yields on investment grade and high yield corporate bonds increased, finishing the week at 4.6% and 7.8%, respectively.

Economic releases were mixed for the week as Monday was kicked off by the Empire State manufacturing index recording its second largest decline on record, one of the lowest levels in the survey history at -31.3 in August. The NAHB home builders' index slipped to 49 in August, the first time since May of 2020 that the index broke below the break-even measure of 50, as cooling buyer demand has negatively impacted builders' sentiment. U.S. retail sales were flat in July as cheaper gas prices meant consumers spent less at the pump. The Philadelphia Fed manufacturing index recovered to 6.2 in August from a negative 12.3 last month, suggesting improving conditions. The U.S. leading economic indicators index declined for the fifth month in a row, dropping 0.4% in July, as rising interest rates and pessimism among consumers has dampened the economy. The UK's inflation rate hit 10.1% in July, the first double-digit reading since 1982, while the Eurozone's inflation hit a record 8.9% in July.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.18%	-1.42%	-1.63%	2.47%	2.61%	2.74%	9.26%	12.16%	15.07%	-4.79%	-11.33%	-17.23%
Mid	-1.75%	-2.13%	-2.81%	2.54%	2.67%	2.90%	11.37%	12.81%	15.49%	-6.70%	-11.53%	-20.31%
Small	-2.75%	-2.90%	-3.06%	3.28%	3.92%	4.57%	13.27%	14.77%	16.28%	-6.33%	-12.11%	-17.97%

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	-0.16%	-0.38%	-1.98%	-0.89%	-1.26%	-3.34%	-0.11%	0.05%	-0.76%	-4.29%	-5.73%	-21.80%
Corp	-0.28%	-0.66%	-2.26%	-0.62%	-0.98%	-2.49%	0.88%	1.37%	2.20%	-4.76%	-7.73%	-21.05%
HY	-0.77%	-1.21%	-1.06%	0.75%	0.35%	1.14%	5.24%	6.24%	7.97%	-4.90%	-8.19%	-18.17%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.16%	2.50%	11.95%	-10.39%
S&P MidCap 400	-1.38%	2.70%	13.84%	-8.40%
Russell 2000	-2.90%	3.92%	14.77%	-12.11%
MSCI EAFE	-2.19%	-0.72%	4.23%	-16.17%
MSCI Emerging Markets	-1.48%	1.11%	0.86%	-16.91%
MSCI EAFE Small Cap	-3.55%	-1.18%	5.35%	-20.68%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.46%	-1.17%	0.44%	-6.36%
Bloomberg US Agg	-0.89%	-1.68%	0.73%	-9.70%
Bloomberg US High Yield	-1.21%	0.38%	6.30%	-8.78%
Other				
Bloomberg Commodity	-0.67%	0.55%	4.84%	24.17%
S&P Dev Property	-2.81%	-0.78%	7.10%	-14.73%
HFRX Global Hedge Fund	0.39%	1.15%	1.69%	-3.44%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-1.57%	2.85%	22.33%	-17.82%
Consumer Staples	1.97%	3.36%	6.77%	0.81%
Energy	1.30%	1.45%	11.31%	46.76%
Financials	-1.72%	3.67%	11.15%	-9.66%
Health Care	-0.55%	0.40%	3.73%	-4.91%
Industrials	-0.97%	3.42%	13.25%	-5.76%
Info Technology	-1.66%	2.79%	16.70%	-14.70%
Materials	-2.43%	1.33%	7.55%	-11.69%
Real Estate	-1.89%	0.80%	9.20%	-12.22%
Communication Svcs	-3.27%	2.23%	6.02%	-25.96%
Utilities	1.29%	5.09%	10.88%	10.26%

Bond Yields

	8/19/22	7/31/22	6/30/22	12/31/21
3Mo Libor	2.96%	2.79%	2.29%	0.21%
SOFR 3Mo Swap	2.79%	2.55%	2.10%	0.09%
2Yr Treasury	3.24%	2.89%	2.96%	0.73%
10Yr Treasury	2.98%	2.65%	3.02%	1.51%
2-10 Slope	-0.26%	-0.24%	0.06%	0.78%

Commodities and Currency

	8/19/22	7/31/22	6/30/22	12/31/21
Oil (\$/barrel)	90.77	98.62	105.76	76.99
Gold (\$/oz.)	1747.06	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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Past Performance does not guarantee future results.

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