

# Weekly Market Update

Market Data as of Week Ending: 8/26/2022 unless noted otherwise

U.S. stock prices ended the week with a sharp decline. Most of the losses were at end of the week after Fed chair Powell's statement that regardless of unemployment levels, raising interest rates and holding them at an elevated level until inflation is tamed remains the priority. Investors became less optimistic that the Fed will be able to control inflation without harming economic growth. Value stocks held up better than their growth counterparts while large companies generally lagged behind their small and mid-sized peers. Nearly all major economic sectors in the S&P 500 declined with energy up more than 4%. Declines were broad-based across most sectors as even traditionally defensive sectors such as consumer staples, real estate, and health care, were down more than 3%. Cyclical and economically sensitive sectors such as information technology, consumer discretionary, and communication services fared the worst. Developed foreign and emerging stock prices also declined but outperformed the U.S. for the week.

U.S. Treasury yields generally moved higher in response to economic data and Fed's statement on its outlook for interest rate policy decisions. The 10-year U.S. Treasury increased to 3.04%, up from 2.98%, and the 2-year increased to 3.40%, up from 3.24%. Returns were negative across most of the fixed income spectrum with long government bonds being the only exception. Higher quality government bonds outperformed while high yield corporate bonds lagged. Yields on investment grade and high yield corporate bonds increased, finishing the week at 4.7% and 8.0%, respectively.

Economic releases were generally worse than expected as it's becoming clearer that growth continues to decelerate in response to tightening financial conditions. S&P released PMI data for August that shows a sharp decline in business activity with notable declines in the services industries. Demand has been weakened by a combination of shortages, delivery delays, higher borrowing costs and strong inflationary pressures. The housing market continues to show weakness as new home sales declined in July for the sixth month this year. Consumer spending slowed to a 0.1% gain in July and PCE, the Fed's preferred measure of inflation, came in at 6.3% (4.6% excluding food & energy). One of the only bright spots for the week was the University of Michigan's index of consumer sentiment, which increased more than expected, reaching 58.2 in August. European business activity also slowed down according to PMI data from S&P that indicated another monthly decline in new orders and considerably slower demand for services.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-3.16%	-3.87%	-4.55%	-0.77%	-1.37%	-1.93%	5.81%	7.82%	9.84%	-7.80%	-14.76%	-21.00%
Mid	-3.11%	-3.28%	-3.60%	-0.65%	-0.70%	-0.80%	7.91%	9.10%	11.34%	-9.61%	-14.43%	-23.18%
Small	-3.26%	-2.93%	-2.60%	-0.09%	0.88%	1.85%	9.58%	11.42%	13.25%	-9.39%	-14.69%	-20.10%

## 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	-0.25%	-0.33%	0.33%	-1.14%	-1.59%	-3.03%	-0.36%	-0.29%	-0.43%	-4.53%	-6.04%	-21.54%
Corp	-0.26%	-0.35%	-0.03%	-0.88%	-1.33%	-2.52%	0.62%	1.01%	2.18%	-5.02%	-8.05%	-21.07%
HY	-0.74%	-1.06%	-0.91%	0.01%	-0.71%	0.22%	4.47%	5.11%	6.98%	-5.60%	-9.16%	-18.92%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-4.02%	-1.62%	7.45%	-14.00%
S&P MidCap 400	-3.01%	-0.39%	10.42%	-11.16%
Russell 2000	-2.93%	0.88%	11.42%	-14.69%
MSCI EAFE	-1.91%	-2.61%	2.24%	-17.77%
MSCI Emerging Markets	0.54%	1.66%	1.41%	-16.46%
MSCI EAFE Small Cap	-1.84%	-3.00%	3.41%	-22.14%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.33%	-1.50%	0.11%	-6.67%
Bloomberg US Agg	-0.36%	-2.03%	0.36%	-10.02%
Bloomberg US High Yield	-1.05%	-0.68%	5.18%	-9.74%
Other				
Bloomberg Commodity	1.92%	2.48%	6.85%	26.55%
S&P Dev Property	-3.09%	-3.85%	3.80%	-17.37%
HFRX Global Hedge Fund	0.20%	1.37%	1.91%	-3.23%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.74%	-2.03%	16.53%	-21.72%
Consumer Staples	-3.32%	-0.07%	3.22%	-2.54%
Energy	4.27%	5.78%	16.07%	53.02%
Financials	-3.55%	-0.01%	7.20%	-12.87%
Health Care	-4.26%	-3.88%	-0.69%	-8.96%
Industrials	-3.43%	-0.12%	9.37%	-8.99%
Info Technology	-5.58%	-2.95%	10.19%	-19.46%
Materials	-1.29%	0.02%	6.16%	-12.83%
Real Estate	-3.75%	-2.98%	5.11%	-15.51%
Communication Svcs	-4.82%	-2.70%	0.91%	-29.52%
Utilities	-2.60%	2.37%	8.00%	7.40%

## Bond Yields

	8/26/22	7/31/22	6/30/22	12/31/21
3Mo Libor	3.07%	2.79%	2.29%	0.21%
SOFR 3Mo Swap	2.91%	2.55%	2.10%	0.09%
2Yr Treasury	3.40%	2.89%	2.96%	0.73%
10Yr Treasury	3.04%	2.65%	3.02%	1.51%
2-10 Slope	-0.36%	-0.24%	0.06%	0.78%

## Commodities and Currency

	8/26/22	7/31/22	6/30/22	12/31/21
Oil (\$/barrel)	93.06	98.62	105.76	76.99
Gold (\$/oz.)	1738.14	1765.94	1807.27	1829.2

The information contained herein is for informational purposes only and is developed from sources believed to provide accurate information. The opinions expressed are those of the author, are for general information, and should not be considered a solicitation for the purchase or sale of any security. Investing involves risk, including possible loss of principal. The decision to review or consider the purchase or sell of any security should not be undertaken without consideration of your personal financial information, investment objectives and risk tolerance with your financial professional. Any forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

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.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risk including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

Past Performance does not guarantee future results.

Investment advice offered through NewEdge Advisors, LLC, a registered investment adviser.