

Weekly Market Update

Market Data as of Week Ending: 9/16/2022 unless noted otherwise

U.S. stock prices fell as the S&P 500 recorded its largest weekly decline of the quarter. Despite improving consumer sentiment, investors were disappointed that the CPI report was higher than expected, increasing the risk that “peak inflation” may not be behind us. Value stocks outperformed their growth counterparts across the board while small and mid-sized companies generally outperformed their large peers. All eleven major economic sectors in the S&P 500 dropped with nearly half of sectors down more than 6%. Energy stocks provided the best downside protection for the week followed by the consumer staples and utilities sectors. Traditionally cyclical sectors such as industrials and materials along with economic growth-oriented sectors, such as information technology and communication services, were among the most notable laggards. Developed foreign and emerging stock prices declined but outperformed the U.S. for the week.

U.S. Treasury yields advanced again as the 10-year U.S. Treasury ended the week at 3.45% and the 2-year increased to 3.80%. Despite higher yield changes in the short end of the curve, longer duration bonds experienced the steepest declines and higher quality bonds outperformed. High yield corporate bonds lagged as investors have started to become more concerned about the riskiest segment of the bond market. Yields on investment grade and high yield corporate bonds rose, finishing the week at 5.1% and 8.8%, respectively.

There were several key economic releases during the week. However, in advance of the Fed meeting, all eyes were focused on the August CPI report. Prices only increased 0.1% in August but the core index, excluding the more volatile energy and food, increased 0.6%. The 12-month change in prices remains elevated at 8.3% and 6.3% respectively. The increase in core prices was broad based with notable increases in shelter, medical care, household furnishings, and new vehicles. Retail sales rebounded in August with a gain of 0.3% after a decline of 0.4% in the prior month. On the employment front, weekly jobless claims dropped for the fifth consecutive week to 213,000. Inflation remains a global problem as the ECB recently increased rates 0.75% and the UK reported that inflation over the past year was just below 10% in August.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-4.21%	-4.79%	-5.36%	-1.23%	-1.94%	-2.63%	2.18%	3.07%	3.98%	-10.96%	-18.52%	-25.21%
Mid	-4.90%	-5.06%	-5.36%	-1.63%	-1.57%	-1.47%	3.57%	4.75%	6.97%	-13.24%	-17.84%	-26.19%
Small	-3.89%	-4.46%	-5.00%	-2.15%	-2.41%	-2.67%	3.93%	5.57%	7.21%	-14.06%	-19.16%	-24.36%

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	-0.57%	-0.67%	-1.20%	-0.79%	-1.05%	-3.93%	-1.37%	-1.74%	-5.73%	-5.50%	-7.41%	-25.71%
Corp	-0.55%	-0.76%	-1.44%	-0.74%	-1.15%	-3.17%	-0.50%	-0.89%	-3.07%	-6.07%	-9.78%	-25.12%
HY	-1.47%	-2.01%	-2.30%	-0.49%	-0.89%	-1.57%	2.72%	2.48%	3.57%	-7.18%	-11.44%	-21.50%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-4.73%	-1.97%	2.70%	-17.80%
S&P MidCap 400	-4.65%	-1.98%	5.28%	-15.29%
Russell 2000	-4.46%	-2.41%	5.57%	-19.16%
MSCI EAFE	-2.72%	-2.66%	-2.67%	-21.71%
MSCI Emerging Markets	-2.64%	-4.92%	-4.76%	-21.54%
MSCI EAFE Small Cap	-2.97%	-3.69%	-1.87%	-26.12%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.70%	-1.08%	-1.48%	-8.15%
Bloomberg US Agg	-0.93%	-1.82%	-2.27%	-12.38%
Bloomberg US High Yield	-2.02%	-0.91%	2.52%	-12.03%
Other				
Bloomberg Commodity	-1.44%	-3.90%	0.29%	18.78%
S&P Dev Property	-4.13%	-2.86%	-1.51%	-21.59%
HFRX Global Hedge Fund	-0.34%	0.01%	1.50%	-3.62%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.15%	1.28%	14.96%	-22.77%
Consumer Staples	-3.48%	-2.21%	-0.76%	-6.30%
Energy	-2.54%	-2.23%	10.30%	45.43%
Financials	-3.77%	0.07%	5.13%	-14.56%
Health Care	-2.32%	2.18%	-0.53%	-8.82%
Industrials	-6.37%	-3.98%	2.19%	-14.97%
Info Technology	-6.11%	-4.76%	1.52%	-25.80%
Materials	-6.64%	-3.32%	-0.95%	-18.67%
Real Estate	-6.23%	-3.57%	-1.34%	-20.69%
Communication Svcs	-6.42%	-4.55%	-5.16%	-33.76%
Utilities	-3.78%	0.20%	6.25%	5.66%

Bond Yields

	9/16/22	8/31/22	6/30/22	12/31/21
3Mo Libor	3.57%	3.10%	2.29%	0.21%
SOFR 3Mo Swap	3.44%	2.97%	2.10%	0.09%
2Yr Treasury	3.87%	3.50%	2.96%	0.73%
10Yr Treasury	3.45%	3.20%	3.02%	1.51%
2-10 Slope	-0.42%	-0.30%	0.06%	0.78%

Commodities and Currency

	9/16/22	8/31/22	6/30/22	12/31/21
Oil (\$/barrel)	85.11	89.55	105.76	76.99
Gold (\$/oz.)	1675.06	1711.04	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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