

Weekly Market Update

Market Data as of Week Ending: 9/2/2022 unless noted otherwise

U.S. stock prices declined for the third consecutive week as investors price in the impact of higher interest rates that may linger, especially if the economy remains stable. Value stocks held up better than their growth counterparts while smaller companies generally lagged their large and mid-sized peers. All major economic sectors in the S&P 500 declined with the most significant losses in the information technology and materials sectors. Traditionally defensive sectors such as consumer staples, utilities, and health care provided some downside protection and outperformed. Developed foreign and emerging stock prices also declined but delivered mixed results relative to the U.S. for the week.

U.S. Treasury yields advanced again for the week with more significant increases in longer duration bonds. The 10-year U.S. Treasury increased by 0.15%, ending the week at nearly 3.20% and the 30-year increased to 3.35%, up from 3.21%. Higher-quality government bonds generally outperformed while high yield corporate bonds lagged. However, since long duration yields were up more than 0.10%, long duration government and investment grade corporate bonds were down more than 2.5%. Yields on investment grade and high yield corporate bonds increased, finishing the week at 4.9% and 8.5%, respectively.

Economic releases were sparse for the week, but the employment situation report on Friday showed that the economy continues to have strong support for labor demand. Employers added 315,000 jobs in August, down from more than 500,000 in July, but well above levels that might signal a recession is imminent. The unemployment rate rose to 3.7% in August as more workers entered the labor force. Job openings also increased to more than 11.2 million with nearly two jobs available for each unemployed person. Manufacturing data remains mixed as survey results from ISM and S&P are still indicating that current conditions are in expansion territory. However, the threats of inflation, supply constraints, and rising interest rates are constraining growth.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-2.78%	-3.34%	-3.88%	-0.57%	-0.86%	-1.14%	2.87%	4.22%	5.57%	-10.36%	-17.61%	-24.07%
Mid	-3.24%	-3.49%	-3.95%	-0.83%	-1.07%	-1.49%	4.41%	5.29%	6.94%	-12.54%	-17.42%	-26.21%
Small	-4.58%	-4.70%	-4.82%	-1.56%	-1.85%	-2.14%	4.56%	6.18%	7.80%	-13.54%	-18.70%	-23.95%

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	-0.09%	-0.34%	-2.68%	0.13%	0.07%	-1.26%	-0.45%	-0.62%	-3.10%	-4.62%	-6.36%	-23.64%
Corp	-0.32%	-0.83%	-3.14%	0.05%	-0.08%	-1.13%	0.29%	0.18%	-1.04%	-5.32%	-8.81%	-23.55%
HY	-1.29%	-1.80%	-1.84%	-0.10%	-0.17%	-0.19%	3.12%	3.22%	5.02%	-6.82%	-10.80%	-20.41%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-3.23%	-0.75%	3.98%	-16.78%
S&P MidCap 400	-4.23%	-1.55%	5.75%	-14.91%
Russell 2000	-4.70%	-1.85%	6.18%	-18.70%
MSCI EAFE	-3.01%	-0.83%	-0.83%	-20.24%
MSCI Emerging Markets	-3.41%	-2.21%	-2.05%	-19.31%
MSCI EAFE Small Cap	-3.28%	-1.83%	0.02%	-24.69%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.49%	0.02%	-0.38%	-7.12%
Bloomberg US Agg	-1.02%	-0.21%	-0.66%	-10.94%
Bloomberg US High Yield	-1.80%	-0.17%	3.29%	-11.37%
Other				
Bloomberg Commodity	-4.36%	-2.07%	2.19%	21.03%
S&P Dev Property	-3.50%	-1.21%	0.17%	-20.26%
HFRX Global Hedge Fund	-0.51%	-0.13%	1.36%	-3.76%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-2.56%	0.04%	13.55%	-23.72%
Consumer Staples	-2.29%	-0.62%	0.86%	-4.77%
Energy	-3.19%	-0.41%	12.36%	48.14%
Financials	-2.41%	-0.42%	4.61%	-14.98%
Health Care	-1.79%	0.19%	-2.46%	-10.59%
Industrials	-3.49%	-0.82%	5.55%	-12.17%
Info Technology	-4.97%	-1.76%	4.71%	-23.46%
Materials	-4.85%	-1.40%	1.01%	-17.06%
Real Estate	-3.91%	-1.29%	1.00%	-18.82%
Communication Svcs	-2.36%	-0.83%	-1.46%	-31.19%
Utilities	-1.44%	0.38%	6.44%	5.85%

Bond Yields

	9/2/22	8/31/22	6/30/22	12/31/21
3Mo Libor	3.16%	3.10%	2.29%	0.21%
SOFR 3Mo Swap	2.99%	2.97%	2.10%	0.09%
2Yr Treasury	3.39%	3.50%	2.96%	0.73%
10Yr Treasury	3.19%	3.20%	3.02%	1.51%
2-10 Slope	-0.20%	-0.30%	0.06%	0.78%

Commodities and Currency

	9/2/22	8/31/22	6/30/22	12/31/21
Oil (\$/barrel)	86.87	89.55	105.76	76.99
Gold (\$/oz.)	1712.19	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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