

# Weekly Market Update

Market Data as of Week Ending: 10/14/2022 unless noted otherwise

U.S. stock prices continued their volatile trading as the S&P 500 reached its lowest level since November 2020 before rallying to end the week down -1.53%. Third-quarter earnings season began in earnest as a handful of companies kicked it off with mixed results. Analysts are forecasting that third-quarter earnings for S&P 500 companies will rise by an average of 2.4%, which would mark its lowest earnings growth rate in two years. Small-cap companies continued their outperformance versus their large and mid-sized peers. Value stocks provided downside protection, outperforming their growth counterparts. Traditionally defensive sectors in consumer staples and health care along with financials benefitted from positive earnings reports and were able to manage gains for the week. Consumer discretionary, information technology and utilities were the hardest hit sectors. Developed foreign markets outperformed the U.S., while emerging markets declined sharply and underperformed.

U.S. Treasury yields continued their rise as new inflationary data caused investors to evaluate their monetary policy expectations. The 10-year U.S. Treasury rose 0.19% to 4.02%, eclipsing 4.00% for the first time since 2008. The 2-year yield increased by 0.22% to 4.50%, its highest level since August 2007. Government bonds were the best performing asset class, while long duration bonds felt the brunt of the sharp move in yields. Yields on investment grade corporate bonds rose while high yield bonds remained flat, finishing the week at nearly 6.0% and 9.7%, respectively.

It was a mixed week for economic data as investors were focused on inflation prints near the middle of the week. The NFIB small-business index increased slightly to 92.1 in September, its third consecutive month of gains as better prospects for sales boosted confidence. U.S. producer prices rose 0.4% in September, marking its first increase in three months. Consumer prices rose 0.4% in September, as the cost of staples such as food, rent, medical care and new cars all rose last month. The core inflation rate, which strips out food and energy prices, rose 0.6% in September. U.S. retail sales fell flat in September as consumers slowed their spending in the face of inflation and rising interest rates. Consumer sentiment rose slightly to 59.8 in The University of Michigan's early October reading. Consumer expectations for inflation over the next year rose to 5.1% from September's low of 4.7%. The U.K. economy unexpectedly shrank -0.3% in August due to a fall in industrial output.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-0.68%	-1.75%	-2.80%	1.51%	-0.08%	-1.64%	1.51%	-0.08%	-1.64%	-16.51%	-24.65%	-31.79%
Mid	-1.67%	-2.54%	-4.09%	0.62%	-0.10%	-1.37%	0.62%	-0.10%	-1.37%	-19.86%	-24.34%	-32.39%
Small	0.33%	-1.15%	-2.56%	2.56%	1.10%	-0.30%	2.56%	1.10%	-0.30%	-19.11%	-24.28%	-29.49%

## 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	-0.33%	-0.46%	-2.14%	-0.50%	-0.72%	-3.29%	-0.50%	-0.72%	-3.29%	-6.80%	-9.31%	-31.12%
Corp	-0.67%	-1.00%	-2.85%	-0.68%	-0.96%	-2.48%	-0.68%	-0.96%	-2.48%	-8.06%	-12.65%	-31.18%
HY	-0.89%	-1.07%	-2.08%	0.23%	0.35%	-1.10%	0.23%	0.35%	-1.10%	-9.01%	-13.81%	-26.34%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.53%	0.00%	0.00%	-23.87%
S&P MidCap 400	-0.93%	1.95%	1.95%	-19.99%
Russell 2000	-1.15%	1.10%	1.10%	-24.28%
MSCI EAFE	-1.35%	0.57%	0.57%	-26.68%
MSCI Emerging Markets	-3.81%	-1.39%	-1.39%	-28.17%
MSCI EAFE Small Cap	-1.82%	-0.29%	-0.29%	-32.31%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.62%	-0.79%	-0.79%	-10.34%
Bloomberg US Agg	-1.19%	-1.44%	-1.44%	-15.84%
Bloomberg US High Yield	-1.11%	0.29%	0.29%	-14.49%
Other				
Bloomberg Commodity	-2.90%	2.09%	2.09%	15.94%
S&P Dev Property	-1.66%	-3.46%	-3.46%	-31.91%
HFRX Global Hedge Fund	-0.19%	-0.05%	-0.05%	-4.61%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.09%	-5.15%	-5.15%	-33.51%
Consumer Staples	1.45%	1.08%	1.08%	-10.88%
Energy	-1.82%	11.78%	11.78%	50.84%
Financials	0.23%	2.17%	2.17%	-19.54%
Health Care	0.87%	2.21%	2.21%	-11.16%
Industrials	-0.56%	2.30%	2.30%	-18.90%
Info Technology	-3.22%	-1.60%	-1.60%	-32.54%
Materials	-1.86%	0.25%	0.25%	-23.55%
Real Estate	-2.33%	-6.47%	-6.47%	-33.17%
Communication Svcs	-1.86%	-0.18%	-0.18%	-39.15%
Utilities	-2.58%	-5.14%	-5.14%	-11.32%

## Bond Yields

	10/14/22	9/30/22	9/30/22	12/31/21
3Mo Libor	4.19%	3.75%	3.75%	0.21%
SOFR 3Mo Swap	3.93%	3.60%	3.60%	0.09%
2Yr Treasury	4.50%	4.28%	4.28%	0.73%
10Yr Treasury	4.02%	3.83%	3.83%	1.51%
2-10 Slope	-0.48%	-0.45%	-0.45%	0.78%

## Commodities and Currency

	10/14/22	9/30/22	9/30/22	12/31/21
Oil (\$/barrel)	85.61	79.49	79.49	76.99
Gold (\$/oz.)	1644.47	1660.61	1660.61	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.

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.

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