

# Weekly Market Update



Market Data as of Week Ending: 10/21/2022 unless noted otherwise

U.S. stock prices regained traction as investors reacted positively to some prominent earnings reports and signs that the Federal Reserve might slow its pace of interest rate hikes. The S&P 500 ended the week 4.75% higher. Reversing its trend, large-cap companies generally outperformed their mid and small-sized peers, while the value factor was a headwind. All eleven sectors recorded gains with the energy sector leading the way on the announcement of a release from the U.S. Strategic Petroleum Reserve. Traditionally defensive sectors in health care, utilities and consumer staples lagged. Developed foreign and emerging stock prices ended the week slightly higher, but underperformed the U.S.

U.S. Treasury yields continued their rise as mixed reports kept volatility in the market. The 10-year U.S. Treasury ended the week at 4.29%, while the 2-year yield increased by 0.05% to 4.55% as several Fed officials made comments suggesting a higher-than-expected fed funds target rate. Short duration outperformed last week as longer duration bonds were negative across the board with government bonds faring the worst. High yield corporate bonds were the best performing asset class as its yield declined from 9.7% to 9.6%, while yields on investment grade corporate bonds rose to 6.1%.

It was a light week for economic data releases as it was kicked off on Monday with a negative New York Fed's Empire State business index reading. The index fell 7.6 points to -9.1 in what was the third straight negative reading - any reading below zero indicates deteriorating conditions. The U.S. industrial production index rose 0.4% in September, helped by the increase in oil and gas drilling and uptick in auto production. The NAHB confidence index fell to 38 in October, falling for a record tenth month in a row as home builders say the situation is unhealthy and unsustainable. The Philadelphia Fed's manufacturing index edged up slightly to -8.7 in October from -9.9 but was below analyst estimates. The U.S. leading economic index fell 0.4% in September, marking the seventh decline in nine months and suggesting an increasing likelihood of a recession before year-end. The new U.K. Prime Minister, Liz Truss, resigned last week after roughly six weeks in office.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	3.93%	4.67%	5.42%	5.50%	4.59%	3.70%	5.50%	4.59%	3.70%	-13.23%	-21.13%	-28.10%
Mid	3.28%	3.57%	4.11%	3.92%	3.47%	2.69%	3.92%	3.47%	2.69%	-17.24%	-21.64%	-29.61%
Small	3.32%	3.57%	3.81%	5.96%	4.70%	3.50%	5.96%	4.70%	3.50%	-16.42%	-21.58%	-26.80%

## 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	0.04%	-0.21%	-4.93%	-0.46%	-0.93%	-8.07%	-0.46%	-0.93%	-8.07%	-6.76%	-9.50%	-34.51%
Corp	-0.06%	-0.35%	-2.93%	-0.74%	-1.31%	-5.34%	-0.74%	-1.31%	-5.34%	-8.12%	-12.96%	-33.20%
HY	0.48%	0.32%	-0.79%	0.71%	0.67%	-1.88%	0.71%	0.67%	-1.88%	-8.58%	-13.53%	-26.92%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	4.75%	4.75%	4.75%	-20.25%
S&P MidCap 400	2.99%	5.00%	5.00%	-17.60%
Russell 2000	3.57%	4.70%	4.70%	-21.58%
MSCI EAFE	0.55%	1.12%	1.12%	-26.28%
MSCI Emerging Markets	0.21%	-1.19%	-1.19%	-28.03%
MSCI EAFE Small Cap	0.07%	-0.21%	-0.21%	-32.26%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.25%	-1.04%	-1.04%	-10.57%
Bloomberg US Agg	-1.07%	-2.49%	-2.49%	-16.74%
Bloomberg US High Yield	0.28%	0.58%	0.58%	-14.25%
Other				
Bloomberg Commodity	-2.04%	0.01%	0.01%	13.58%
S&P Dev Property	1.27%	-2.23%	-2.23%	-31.05%
HFRX Global Hedge Fund	-0.02%	0.01%	0.01%	-4.55%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	5.66%	0.22%	0.22%	-29.74%
Consumer Staples	2.28%	3.39%	3.39%	-8.84%
Energy	8.08%	20.81%	20.81%	63.03%
Financials	3.93%	6.18%	6.18%	-16.38%
Health Care	2.30%	4.57%	4.57%	-9.11%
Industrials	4.68%	7.09%	7.09%	-15.10%
Info Technology	6.49%	4.79%	4.79%	-28.16%
Materials	6.15%	6.41%	6.41%	-18.85%
Real Estate	2.80%	-3.86%	-3.86%	-31.30%
Communication Svcs	5.03%	4.84%	4.84%	-36.09%
Utilities	1.95%	-3.29%	-3.29%	-9.59%

## Bond Yields

	10/21/22	9/30/22	9/30/21	12/31/21
3Mo Libor	4.36%	3.75%	3.75%	0.21%
SOFR 3Mo Swap	4.02%	3.60%	3.60%	0.09%
2Yr Treasury	4.55%	4.28%	4.28%	0.73%
10Yr Treasury	4.29%	3.83%	3.83%	1.51%
2-10 Slope	-0.26%	-0.45%	-0.45%	0.78%

## Commodities and Currency

	10/21/22	9/30/22	9/30/21	12/31/21
Oil (\$/barrel)	86.65	79.49	79.49	76.99
Gold (\$/oz.)	1657.69	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.

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