

Weekly Market Update



Market Data as of Week Ending: 9/30/2022 unless noted otherwise

U.S. stock prices continued their slide lower as investors grappled with turmoil in UK financial markets and inflation data that paved the way for the Fed to continue their hawkish monetary policy. As growing concerns that the volatility and swings in interest rates will lead to a "financial accident", the Bank of England (BOE) intervened on Wednesday to buy UK government bonds to stabilize market conditions. Small companies generally outperformed their mid and large-sized peers, while the valuation factor had mixed results, depending on size. Ten of the eleven major sectors in the S&P 500 dropped with declines being broad based across sector type. Energy was the only sector to record a gain as oil prices rose for the first time in five weeks as OPEC+ is said to be considering output cuts ahead of their meeting. Developed foreign and emerging stock prices declined with mixed results relative to the U.S. as currency markets saw further volatility.

U.S. Treasury yields experienced volatile trading last week before advancing again. The 10-year U.S. Treasury ended the week at 3.83%, after reaching a 14-year high midweek before declining 0.25% after the BOE's announcement, while the 2-year yield increased by 0.07% to 4.28%. Longer duration bonds experienced the steepest declines for yet another week while higher quality bonds mostly outperformed. High yield corporate bonds continue to see negative flows, as the asset class saw higher-than-average volume during the week. Yields on investment grade and high yield corporate bonds rose, finishing the week at 5.7% and 9.7%, respectively.

It was a mixed week for economic data releases as the bulk of the releases came at the end of the week as investors awaited new inflation data. Durable goods orders at U.S. factories fell 0.2% in August as they saw lower demand for large airplanes but business spending showed surprising strength, rising 1.3%. U.S. pending-home sales fell 2% in August, marking the third straight month of declines as rising mortgage rates have deterred potential buyers. U.S. PCE rose 0.3% in August as the sharp decline in gas prices helped offset rising costs while core PCE, which omits food and energy costs, rose by a higher than anticipated 0.6%. Consumer spending rose by 0.4% in August, but only a mere 0.1% after inflation, as consumers have tampered their spending as cost-of-living increases. The University of Michigan consumer sentiment index rose to 58.2 in August as falling gas prices, rising wages and the strong labor market has provided a slight boost to their outlook.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-2.56%	-2.70%	-2.85%	-8.77%	-9.25%	-9.72%	-5.62%	-4.61%	-3.60%	-17.75%	-24.59%	-30.66%
Mid	-2.50%	-1.85%	-0.68%	-9.70%	-9.27%	-8.49%	-4.93%	-3.44%	-0.65%	-20.36%	-24.27%	-31.45%
Small	-2.27%	-0.82%	0.60%	-10.19%	-9.58%	-9.00%	-4.61%	-2.19%	0.24%	-21.12%	-25.10%	-29.28%

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	-0.05%	-0.23%	-2.78%	-1.67%	-2.37%	-7.89%	-2.24%	-3.05%	-9.60%	-6.33%	-8.65%	-28.77%
Corp	-0.47%	-0.92%	-3.73%	-2.18%	-3.37%	-8.74%	-1.94%	-3.11%	-8.65%	-7.43%	-11.81%	-29.43%
HY	-1.01%	-1.35%	-1.84%	-2.68%	-3.87%	-6.60%	0.46%	-0.61%	-1.72%	-9.22%	-14.11%	-25.52%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-2.88%	-9.21%	-4.88%	-23.87%
S&P MidCap 400	-1.53%	-9.19%	-2.46%	-21.52%
Russell 2000	-0.82%	-9.58%	-2.19%	-25.10%
MSCI EAFE	-1.35%	-9.35%	-9.36%	-27.09%
MSCI Emerging Markets	-3.26%	-11.72%	-11.57%	-27.16%
MSCI EAFE Small Cap	-2.44%	-11.50%	-9.84%	-32.11%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.44%	-2.67%	-3.06%	-9.63%
Bloomberg US Agg	-0.99%	-4.32%	-4.75%	-14.61%
Bloomberg US High Yield	-1.36%	-3.97%	-0.65%	-14.74%
Other				
Bloomberg Commodity	-0.75%	-8.11%	-4.11%	13.57%
S&P Dev Property	-3.68%	-12.62%	-11.41%	-29.47%
HFRX Global Hedge Fund	-0.53%	-0.90%	0.58%	-4.50%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-2.38%	-8.06%	4.36%	-29.89%
Consumer Staples	-3.84%	-7.99%	-6.62%	-11.83%
Energy	1.97%	-9.28%	2.35%	34.94%
Financials	-2.39%	-7.76%	-3.10%	-21.25%
Health Care	-1.37%	-2.60%	-5.18%	-13.08%
Industrials	-2.33%	-10.48%	-4.72%	-20.72%
Info Technology	-4.19%	-12.01%	-6.21%	-31.44%
Materials	-0.64%	-9.35%	-7.13%	-23.74%
Real Estate	-3.79%	-13.12%	-11.11%	-28.54%
Communication Svcs	-3.03%	-12.15%	-12.72%	-39.04%
Utilities	-8.79%	-11.34%	-5.99%	-6.51%

Bond Yields

	9/30/22	8/31/22	6/30/22	12/31/21
3Mo Libor	3.75%	3.10%	2.29%	0.21%
SOFR 3Mo Swap	3.60%	2.97%	2.10%	0.09%
2Yr Treasury	4.28%	3.50%	2.96%	0.73%
10Yr Treasury	3.83%	3.20%	3.02%	1.51%
2-10 Slope	-0.45%	-0.30%	0.06%	0.78%

Commodities and Currency

	9/30/22	8/31/22	6/30/22	12/31/21
Oil (\$/barrel)	79.49	89.55	105.76	76.99
Gold (\$/oz.)	1660.61	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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