

Weekly Market Update

Market Data as of Week Ending: 10/7/2022 unless noted otherwise

U.S. stock prices started off the new month and quarter on a positive, but volatile, foot. The markets experienced a broad rally early in the week off renewed hopes of a sooner-than-expected Fed softening, before attempting to give it all back on the heels of the September employment report. Continuing its trend, mid and small-cap companies generally outperformed their large-sized peers, while the valuation factor had mixed results depending on size. The energy sector outpaced the other ten sectors by a wide margin as oil prices surged off the news of OPEC+ agreeing to cut production by 2 million barrels per day. Real estate, utilities and the consumer centric sectors underperformed, posting negative returns for the week. Developed foreign and emerging stock prices moved higher, outperforming the U.S.

U.S. Treasury yields rose yet again in what was another volatile week in the bond market. The 10-year U.S. Treasury ended the week at 3.88%, while the 2-year yield increased by 0.03% to 4.31% as slowing U.S. manufacturing data renewed growth concerns. Longer duration bonds experienced a mixed week depending on quality. High yield corporate bonds were the best performing asset class, recording a gain across all durations as its yield declined from 9.7% to 9.3%. Yields on investment grade corporate bonds remained flat, finishing the week at 5.7%.

It was a mixed week for economic data releases as Friday's employment report remained at the forefront of many investors' minds. The ISM manufacturing index fell to 50.9% in September, its lowest level since the spring of 2020 as new orders have declined and manufacturers aren't hiring as many workers. U.S. job openings fell sharply in August to a 13-month low of 10.1 million, marking the fourth decline in five months, signaling the red-hot labor market may be beginning to cool. U.S. factory orders were flat in August, which was in line with expectations. The ISM services index slid to 56.7% in September, in line with estimates, as continued hiring offset slowing sales. The U.S. added 236,000 jobs in September, the smallest month-over-month increase since April 2021, but still strong historically and potentially stronger than the Fed would like. The unemployment rate dropped to 3.5% from 3.7%, marking one of the lowest rates since the late 1960s. The new U.K. government announced plans to implement tax cuts and spending increases funded by increased borrowing.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	2.20%	1.69%	1.20%	2.20%	1.69%	1.20%	2.20%	1.69%	1.20%	-15.94%	-23.31%	-29.83%
Mid	2.33%	2.51%	2.83%	2.33%	2.51%	2.83%	2.33%	2.51%	2.83%	-18.50%	-22.37%	-29.51%
Small	2.22%	2.27%	2.32%	2.22%	2.27%	2.32%	2.22%	2.27%	2.32%	-19.37%	-23.40%	-27.64%

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	-0.16%	-0.26%	-1.18%	-0.16%	-0.26%	-1.18%	-0.16%	-0.26%	-1.18%	-6.49%	-8.89%	-29.61%
Corp	-0.02%	0.04%	0.38%	-0.02%	0.04%	0.38%	-0.02%	0.04%	0.38%	-7.45%	-11.78%	-29.17%
HY	1.13%	1.44%	1.00%	1.13%	1.44%	1.00%	1.13%	1.44%	1.00%	-8.19%	-12.87%	-24.77%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.56%	1.56%	1.56%	-22.68%
S&P MidCap 400	2.91%	2.91%	2.91%	-19.24%
Russell 2000	2.27%	2.27%	2.27%	-23.40%
MSCI EAFE	1.94%	1.94%	1.94%	-25.68%
MSCI Emerging Markets	2.52%	2.52%	2.52%	-25.32%
MSCI EAFE Small Cap	1.56%	1.56%	1.56%	-31.05%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.17%	-0.17%	-0.17%	-9.78%
Bloomberg US Agg	-0.25%	-0.25%	-0.25%	-14.83%
Bloomberg US High Yield	1.42%	1.42%	1.42%	-13.53%
Other				
Bloomberg Commodity	5.13%	5.13%	5.13%	19.40%
S&P Dev Property	-1.84%	-1.84%	-1.84%	-30.77%
HFRX Global Hedge Fund	0.05%	0.05%	0.05%	-4.52%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-1.11%	-1.11%	-1.11%	-30.67%
Consumer Staples	-0.36%	-0.36%	-0.36%	-12.15%
Energy	13.86%	13.86%	13.86%	53.64%
Financials	1.94%	1.94%	1.94%	-19.72%
Health Care	1.33%	1.33%	1.33%	-11.93%
Industrials	2.87%	2.87%	2.87%	-18.44%
Info Technology	1.67%	1.67%	1.67%	-30.30%
Materials	2.15%	2.15%	2.15%	-22.10%
Real Estate	-4.24%	-4.24%	-4.24%	-31.57%
Communication Svcs	1.70%	1.70%	1.70%	-38.00%
Utilities	-2.63%	-2.63%	-2.63%	-8.97%

Bond Yields

	10/7/22	9/30/22	9/30/22	12/31/21
3Mo Libor	3.91%	3.75%	3.75%	0.21%
SOFR 3Mo Swap	3.77%	3.60%	3.60%	0.09%
2Yr Treasury	4.31%	4.28%	4.28%	0.73%
10Yr Treasury	3.88%	3.83%	3.83%	1.51%
2-10 Slope	-0.43%	-0.45%	-0.45%	0.78%

Commodities and Currency

	10/7/22	9/30/22	9/30/22	12/31/21
Oil (\$/barrel)	92.64	79.49	79.49	76.99
Gold (\$/oz.)	1694.82	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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