

# Weekly Market Update

Market Data as of Week Ending: 11/11/2022 unless noted otherwise

U.S. stock prices surged last week as investor sentiment improved with the most recent inflation data. Third quarter earnings results have been better than expected with 69% of S&P 500 companies reporting a positive earnings surprise. Growth stocks rotated back into favor while small and mid-sized companies generally lagged their large cap peers. All eleven major economic sectors ended the week with gains, most notably in the communication services and information technology sectors. Traditionally defensive sectors including utilities, consumer staples, and health care lagged, but still delivered modest gains. Developed foreign and emerging markets stocks recorded gains again for the week and generally outperformed domestic equities as foreign currencies strengthened relative to the U.S. dollar.

U.S. Treasury yields fell sharply in response to the CPI report that came in lower than expected. The 10-year U.S. Treasury yield decreased to end the week at 3.88% and the 2-year declined to 4.58%. Long duration significantly outperformed last week as all segments across the bond market recorded gains. Investment grade corporate bonds generally outperformed, despite the risk-on sentiment which typically favors high yield bonds. Yields declined for both investment grade corporate and high yield bonds, finishing the week at 5.6% and just below 9.0 %, respectively.

It was a lighter week for economic data, yet investors were fixated on the U.S. Labor Department's Consumer Price Index (CPI), which is broadly used to measure inflation. The report was better than expected as the headline one-year growth rate decelerated to 7.7% in October. Investors celebrated that figure as it was the lowest rate since January and the monthly change was only 0.4%. Core inflation, excluding food and energy, also came in lower at 0.3% for the month of October but remains elevated at 6.3%, compared to the same period one year ago. Prices for used vehicles and medical care declined while housing, especially rents, remain elevated. There were some results that were disappointments. Consumer sentiment unexpectedly fell from 59.5 to 54.7, its lowest level since July. Initial jobless increased by 7,000 to 225,000; however, that figure represents a strong labor market despite the Fed's attempt to reduce demand for labor. In China, exports dropped 0.3% last month which was well below the 4.3% increase that was expected and the first decline since early in the pandemic.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	4.61%	6.10%	7.67%	3.89%	3.24%	2.57%	14.54%	11.52%	8.57%	-5.79%	-15.90%	-24.72%
Mid	5.55%	6.30%	7.70%	4.57%	4.50%	4.36%	14.45%	13.77%	12.56%	-8.85%	-13.84%	-22.84%
Small	4.40%	4.64%	4.88%	2.74%	2.00%	1.28%	15.67%	13.23%	10.89%	-8.76%	-15.19%	-21.58%

## 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	1.05%	1.48%	4.11%	0.74%	1.07%	2.64%	0.53%	0.61%	-3.04%	-5.84%	-8.09%	-30.94%
Corp	1.38%	1.95%	3.97%	1.27%	1.76%	3.39%	0.95%	1.35%	1.06%	-6.55%	-10.62%	-28.68%
HY	1.10%	1.19%	1.49%	0.52%	0.37%	0.71%	2.78%	3.06%	1.00%	-6.69%	-11.48%	-24.77%

## Index Returns

	Week	MTD	QTD	YTD
<b>Equities (Stocks)</b>				
S&P 500	5.93%	3.19%	11.55%	-15.08%
S&P MidCap 400	5.28%	4.12%	15.07%	-9.70%
Russell 2000	4.64%	2.00%	13.23%	-15.19%
MSCI EAFE	8.42%	9.69%	15.59%	-15.73%
MSCI Emerging Markets	5.74%	10.35%	6.93%	-22.11%
MSCI EAFE Small Cap	9.56%	10.32%	14.98%	-21.94%
<b>Fixed Income (Bonds)</b>				
Bloomberg Int Gov/Credit	1.62%	1.27%	0.83%	-8.88%
Bloomberg US Agg	2.29%	1.91%	0.59%	-14.10%
Bloomberg US High Yield	1.20%	0.38%	2.99%	-12.20%
<b>Other</b>				
Bloomberg Commodity	-0.44%	3.24%	5.30%	19.59%
S&P Dev Property	7.27%	6.52%	9.73%	-22.61%
HFRX Global Hedge Fund	-0.13%	-0.17%	-0.10%	-4.65%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	5.96%	0.54%	0.77%	-29.35%
Consumer Staples	2.39%	1.15%	10.30%	-2.75%
Energy	2.00%	3.81%	29.72%	75.04%
Financials	5.77%	5.73%	18.40%	-6.75%
Health Care	1.78%	0.29%	10.04%	-4.36%
Industrials	4.71%	5.54%	20.23%	-4.68%
Info Technology	10.07%	3.95%	12.07%	-23.17%
Materials	7.74%	9.64%	19.51%	-8.86%
Real Estate	6.97%	5.30%	7.37%	-23.28%
Communication Svcs	9.24%	2.83%	2.98%	-37.23%
Utilities	1.49%	1.93%	4.02%	-2.75%

## Bond Yields

	11/11/22	10/31/22	9/30/22	12/31/21
3Mo Libor	4.61%	4.46%	3.75%	0.21%
SOFR 3Mo Swap	4.22%	4.13%	3.60%	0.09%
2Yr Treasury	4.58%	4.64%	4.28%	0.73%
10Yr Treasury	3.88%	4.15%	3.83%	1.51%
2-10 Slope	-0.70%	-0.49%	-0.45%	0.78%

## Commodities and Currency

	11/11/22	10/31/22	9/30/22	12/31/21
Oil (\$/barrel)	88.96	86.53	79.49	76.99
Gold (\$/oz.)	1771.24	1633.56	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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