

Weekly Market Update



Market Data as of Week Ending: 11/18/2022 unless noted otherwise

U.S. stock prices declined last week as investor sentiment shifted on mixed economic data. Third quarter earnings results were generally better than expected with 69% of S&P 500 companies reporting a positive earnings surprise and growth of just above 2%. However, according to FactSet, expectations for earnings growth in the fourth quarter have flipped from a gain of nearly 4% on September 30th to a decline of more than 2%. Value stocks rotated back into favor while large companies generally outperformed their small and mid-sized peers. Most of the major economic sectors ended the week lower, most notably, the consumer discretionary sector where mega cap stocks such as Amazon and Tesla struggled. Traditionally defensive sectors including utilities, consumer staples, and health care were the only sectors to generate gains for the week. Developed foreign and emerging markets stocks recorded gains again for the week and generally outperformed domestic equities.

U.S. Treasury yields were mixed across the curve as the difference between the 2-year and 10-year U.S. Treasury yield declined to its lowest level in over 40 years. The 10-year narrowly increased to end the week at 3.93% and the 2-year increased to 4.72%. Yields dropped for long duration bonds, and they significantly outperformed last week. Long investment grade corporate bonds were the best performing segment; however, high yield corporate bonds were the best performing segment among intermediate term bonds. Yields declined for both investment grade corporate and high yield bonds, ending the week at 5.5% and just above 8.8%, respectively.

Economic data was mixed with notable strength in the retail sales report, a resilient labor market, and continued weakness in housing. Retail sales increased 1.3% in October, in a show of strength across a broad variety of goods and services despite nearly a four-decade-high inflation rate. After adjusting for inflation, sales still rose 0.8% and a core measure that excludes sales on gas, food, autos, and materials, also rose 0.7%. Demand for labor remains robust as the weekly initial jobless claims decreased by 4,000 to 222,000 and further complicates central bank policy decision making in December. Existing home sales declined for a ninth straight month in October, the longest streak of declines on record according to the National Association of Realtors. Peak inflation has not reached the U.K. as they reported a sharp increase of 11.1% in October, its highest level in more than 40 years.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-0.54%	-0.84%	-1.15%	3.33%	2.37%	1.40%	13.92%	10.58%	7.32%	-6.30%	-16.61%	-25.58%
Mid	-1.29%	-1.59%	-2.13%	3.22%	2.84%	2.14%	12.97%	11.97%	10.16%	-10.02%	-15.21%	-24.48%
Small	-1.81%	-1.70%	-1.59%	0.88%	0.27%	-0.33%	13.58%	11.31%	9.13%	-10.41%	-16.63%	-22.82%

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	-0.20%	-0.16%	1.41%	0.53%	0.91%	4.09%	0.32%	0.45%	-1.67%	-6.03%	-8.24%	-29.96%
Corp	0.13%	0.42%	2.83%	1.40%	2.19%	6.32%	1.09%	1.77%	3.93%	-6.43%	-10.24%	-26.66%
HY	0.38%	0.65%	1.99%	0.91%	1.02%	2.71%	3.18%	3.74%	3.01%	-6.33%	-10.90%	-23.27%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.61%	2.56%	10.86%	-15.60%
S&P MidCap 400	-0.79%	3.29%	14.16%	-10.41%
Russell 2000	-1.70%	0.27%	11.31%	-16.63%
MSCI EAFE	0.26%	9.97%	15.89%	-15.51%
MSCI Emerging Markets	0.79%	11.23%	7.77%	-21.50%
MSCI EAFE Small Cap	-0.99%	9.22%	13.84%	-22.72%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.02%	1.29%	0.85%	-8.86%
Bloomberg US Agg	0.48%	2.40%	1.07%	-13.69%
Bloomberg US High Yield	0.70%	1.08%	3.71%	-11.58%
Other				
Bloomberg Commodity	-1.70%	1.48%	3.50%	17.55%
S&P Dev Property	-1.26%	5.18%	8.34%	-23.59%
HFRX Global Hedge Fund	-0.02%	-0.29%	-0.22%	-4.77%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-3.11%	-2.59%	-2.36%	-31.55%
Consumer Staples	1.73%	2.91%	12.21%	-1.07%
Energy	-1.85%	1.89%	27.32%	71.81%
Financials	-1.47%	4.17%	16.66%	-8.13%
Health Care	1.03%	1.33%	11.17%	-3.37%
Industrials	-0.14%	5.39%	20.06%	-4.82%
Info Technology	-0.79%	3.13%	11.19%	-23.77%
Materials	-1.56%	7.93%	17.65%	-10.28%
Real Estate	-1.68%	3.53%	5.56%	-24.57%
Communication Svcs	-0.09%	2.75%	2.89%	-37.28%
Utilities	1.08%	3.03%	5.14%	-1.70%

Bond Yields

	11/18/22	10/31/22	9/30/22	12/31/21
3Mo Libor	4.66%	4.46%	3.75%	0.21%
SOFR 3Mo Swap	4.31%	4.13%	3.60%	0.09%
2Yr Treasury	4.72%	4.64%	4.28%	0.73%
10Yr Treasury	3.93%	4.15%	3.83%	1.51%
2-10 Slope	-0.79%	-0.49%	-0.45%	0.78%

Commodities and Currency

	11/18/22	10/31/22	9/30/22	12/31/21
Oil (\$/barrel)	80.08	86.53	79.49	76.99
Gold (\$/oz.)	1750.68	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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