

# Weekly Market Update

Market Data as of Week Ending: 11/25/2022 unless noted otherwise

U.S. stock prices rose last week as the Fed noted that they will consider slowing the pace of interest rate hikes at the next meeting in December. Third quarter earnings growth for the S&P 500 will finish just above 2%; however, 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%. Investors continued to show a preference for value versus growth stocks and results by size were more mixed as mid cap companies outperformed their small and large-sized peers. All the major economic sectors ended the week higher, most notably, the utilities and materials sectors which were both up around 3%. Energy stocks were the worst performing sector with only modest gains as the price of crude oil dropped below \$80/barrel for the first time since September. Developed foreign and emerging markets stocks recorded gains again for the week and generally outperformed domestic equities.

U.S. Treasury yields were generally lower as the 10-year ended the week at 3.78% and the 2-year edged up to 4.74%. Yields dropped for long duration bonds, and once again, 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 5.3% and just above 8.6%, respectively.

Economic data was once again mixed with some positive surprises from the durable goods and new home sales reports. For the month of October, durable goods orders increased 1% and we finally had some good news from housing as sales of new single-family homes surprised to the upside with 632,000. According to the flash PMI data from S&P, demand conditions are worsening as both the services and manufacturing sectors are in contractionary territory. S&P reports that new orders across the private sector have dropped to their lowest level in more than two years. Initial jobless claims rose by 17,000 to 240,000 last week but the job market remains tight as demand for workers remains elevated. PMI data for Europe narrowly improved but also remains in contractionary territory.

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

	Value	Week Core	Growth	Value	MTD Core	Growth	Value	QTD Core	Growth	Value	YTD Core	Growth
Large	1.90%	1.56%	1.20%	5.30%	3.97%	2.62%	16.09%	12.30%	8.61%	-4.52%	-15.31%	-24.69%
Mid	2.07%	1.95%	1.73%	5.36%	4.85%	3.91%	15.32%	14.15%	12.07%	-8.16%	-13.55%	-23.18%
Small	1.25%	1.07%	0.89%	2.14%	1.34%	0.56%	15.00%	12.50%	10.10%	-9.29%	-15.74%	-22.14%

## U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Short	Week Interm	Long	Short	MTD Interm	Long	Short	QTD Interm	Long	Short	YTD Interm	Long
Govt	0.22%	0.39%	2.92%	0.75%	1.30%	7.13%	0.54%	0.84%	1.20%	-5.82%	-7.88%	-27.92%
Corp	0.40%	0.70%	3.03%	1.80%	2.91%	9.53%	1.49%	2.49%	7.07%	-6.06%	-9.61%	-24.44%
HY	0.76%	1.04%	1.37%	1.68%	2.08%	4.12%	3.96%	4.82%	4.43%	-5.62%	-9.97%	-22.22%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.56%	4.15%	12.59%	-14.29%
S&P MidCap 400	1.96%	5.32%	16.40%	-8.65%
Russell 2000	1.07%	1.34%	12.50%	-15.74%
MSCI EAFE	2.15%	12.34%	18.38%	-13.69%
MSCI Emerging Markets	-0.09%	11.12%	7.67%	-21.57%
MSCI EAFE Small Cap	2.43%	11.88%	16.61%	-20.84%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.49%	1.79%	1.34%	-8.41%
Bloomberg US Agg	1.05%	3.48%	2.14%	-12.78%
Bloomberg US High Yield	1.05%	2.15%	4.80%	-10.65%
Other				
Bloomberg Commodity	0.19%	1.67%	3.70%	17.77%
S&P Dev Property	1.57%	6.83%	10.04%	-22.39%
HFRX Global Hedge Fund	0.16%	-0.07%	0.01%	-4.55%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	1.14%	-1.48%	-1.25%	-30.77%
Consumer Staples	2.11%	5.08%	14.58%	1.02%
Energy	0.26%	2.16%	27.65%	72.26%
Financials	2.19%	6.45%	19.21%	-6.12%
Health Care	1.97%	3.32%	13.36%	-1.47%
Industrials	1.92%	7.41%	22.36%	-3.00%
Info Technology	0.99%	4.15%	12.29%	-23.02%
Materials	2.97%	11.14%	21.15%	-7.61%
Real Estate	1.97%	5.56%	7.64%	-23.09%
Communication Svcs	1.01%	3.79%	3.94%	-36.64%
Utilities	3.13%	6.25%	8.43%	1.38%

## Bond Yields

	11/25/22	10/31/22	9/30/22	12/31/21
3Mo Libor	4.73%	4.46%	3.75%	0.21%
SOFR 3Mo Swap	4.39%	4.13%	3.60%	0.09%
2Yr Treasury	4.74%	4.64%	4.28%	0.73%
10Yr Treasury	3.78%	4.15%	3.83%	1.51%
2-10 Slope	-0.96%	-0.49%	-0.45%	0.78%

## Commodities and Currency

	11/25/22	10/31/22	9/30/22	12/31/21
Oil (\$/barrel)	77.84	86.53	79.49	76.99
Gold (\$/oz.)	1754.93	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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