

Weekly Market Update

Market Data as of Week Ending: 12/2/2022 unless noted otherwise

U.S. stock prices ended the volatile trading week higher as markets rallied on the growing belief that the Federal Reserve may slow the pace of its interest rate hikes. During his speech, Fed Chairman Jerome Powell hinted at the possibility of rates remaining higher for longer but indicated that the pace of rate increases could slow by as early as the mid-December meeting. Growth stocks benefited the most from this rhetoric, outpacing their value counterparts, while mid and small-cap companies generally outperformed their large-sized peers. Nine of the eleven major economic sectors ended the week higher, most notably, the communication services and consumer discretionary sectors while the financials and energy sectors were the worst performing, falling -0.55% and -1.89%, respectively. Developed foreign and emerging markets stocks recorded gains again for the week and generally outperformed domestic equities.

U.S. Treasury yields moved lower as dovish Fed commentary suggested their policy rate may be nearing its peak. The 2-year and 10-year ended the week at 4.66% and 3.59%, respectively, as the 2s10s spread reached its deepest level of inversion in more than four decades. Yields dropped for long duration bonds, and once again they significantly outperformed last week with long government bonds being the best performing segment. Yields declined for both investment grade corporate and high yield bonds, ending the week at 5.1% and just above 8.4%, respectively.

Economic data was once again mixed with Friday's employment report garnering much of the attention. The week was kicked off with the consumer confidence index falling to a four-month low of 100.2 in November, reflecting growing concern around the economy. The Chicago PMI fell to 37.2 in November, down from 45.2 last month and its lowest level since early 2020. The PCE price index rose a modest 0.3% in October, signaling easing price pressures. Consumer spending rose by 0.5% in October, up from the 0.3% gain in September. The ISM manufacturing data fell to a 30-month low of 49% in November, contracting for the first time since the onset of the pandemic. The U.S. added 263,000 new jobs in November, a surprisingly strong report that reflects the strength of the labor market. Inflation in the Eurozone slowed for the first time in 17 months, falling 0.6% to 10.0% in November as energy costs eased.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.77%	1.26%	1.76%	-0.13%	-0.13%	-0.13%	16.99%	13.71%	10.52%	-3.78%	-14.25%	-23.36%
Mid	0.91%	1.32%	2.08%	-0.01%	0.21%	0.60%	16.36%	15.66%	14.41%	-7.33%	-12.41%	-21.58%
Small	1.01%	1.33%	1.66%	0.11%	0.35%	0.59%	16.15%	14.00%	11.93%	-8.38%	-14.62%	-20.84%

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	0.71%	0.97%	3.84%	0.35%	0.56%	3.92%	1.26%	1.82%	5.09%	-5.16%	-6.99%	-25.14%
Corp	0.74%	1.08%	2.95%	0.41%	0.78%	3.38%	2.24%	3.60%	10.23%	-5.36%	-8.63%	-22.21%
HY	0.77%	0.93%	1.20%	0.68%	0.91%	1.19%	4.77%	5.79%	5.68%	-4.89%	-9.13%	-21.29%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.19%	-0.18%	13.93%	-13.26%
S&P MidCap 400	0.63%	-0.13%	17.13%	-8.08%
Russell 2000	1.33%	0.35%	14.00%	-14.62%
MSCI EAFE	1.05%	2.03%	19.63%	-12.78%
MSCI Emerging Markets	3.51%	0.17%	11.45%	-18.82%
MSCI EAFE Small Cap	0.69%	2.49%	17.42%	-20.29%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	1.01%	0.63%	2.36%	-7.49%
Bloomberg US Agg	1.54%	1.34%	3.71%	-11.44%
Bloomberg US High Yield	0.94%	0.92%	5.79%	-9.81%
Other				
Bloomberg Commodity	-0.31%	-1.34%	3.38%	17.41%
S&P Dev Property	0.35%	0.16%	10.43%	-22.12%
HFRX Global Hedge Fund	0.28%	0.15%	0.37%	-4.20%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	2.22%	-0.28%	0.94%	-29.24%
Consumer Staples	1.26%	0.03%	16.03%	2.30%
Energy	-1.89%	-1.02%	25.24%	69.00%
Financials	-0.55%	-1.10%	18.56%	-6.63%
Health Care	1.96%	0.50%	15.58%	0.46%
Industrials	1.05%	0.63%	23.65%	-1.97%
Info Technology	1.32%	-0.47%	13.77%	-22.00%
Materials	1.70%	1.14%	23.20%	-6.05%
Real Estate	0.40%	-0.72%	8.07%	-22.78%
Communication Svcs	3.31%	0.35%	7.38%	-34.55%
Utilities	0.12%	-0.60%	8.56%	1.49%

Bond Yields

	12/2/22	11/30/22	9/30/22	12/31/21
3Mo Libor	4.73%	4.78%	3.75%	0.21%
SOFR 3Mo Swap	4.43%	4.39%	3.60%	0.09%
2Yr Treasury	4.66%	4.71%	4.28%	0.73%
10Yr Treasury	3.59%	3.68%	3.83%	1.51%
2-10 Slope	-1.08%	-1.03%	-0.45%	0.78%

Commodities and Currency

	12/2/22	11/30/22	9/30/22	12/31/21
Oil (\$/barrel)	79.98	80.55	79.49	76.99
Gold (\$/oz.)	1797.63	1768.52	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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