

Weekly Market Update



Market Data as of Week Ending: 12/9/2022 unless noted otherwise

U.S. stock prices gave back much of the previous two week's gains as some surprisingly stronger-than-expected economic data dampened hopes that the Federal Reserve may slow its monetary policy tightening. Large-cap companies outperformed their smaller counterparts as the Russell 200 recorded its worst week since late September, returning -5.06%. Growth stocks endured the brunt of the pain, lagging their value counterparts. All eleven of the major economic sectors ended the week lower, with the typically defensive health care, consumer staples, and utilities sectors faring the best. Energy was the worst performing sector, returning -8.30%, as oil prices plummeted to a one-year low with rising global recession risks weighing on demand expectations. Developed foreign and emerging markets stocks ended the week lower but outperformed domestic equities.

U.S. Treasury yields edged higher toward the end of the week, reflecting a hotter-than-expected inflation print and news that China may ease some of its COVID-related restrictions. The 2-year and 10-year ended the week at 4.70% and 3.70%, respectively, as the 2s10s spread remained near its deepest level of inversion in more than four decades. Returns were negative, but mixed, across the quality and duration spectrum as investment-grade corporate bonds proved most resilient. Yields rose for both investment grade corporate and high yield bonds, ending the week at 5.2% and just above 8.5%, respectively.

Economic data was generally better-than-expected in what was a light week. The week was kicked off with the ISM services-sector index rising to 56.5% in November, a strong signal that the economy continues to expand. October factory orders rose 1%, marking the twelfth increase in the past thirteen months. The U.S. producer-price index rose a more-than-expected 0.3% in November but is showing steady deceleration at the year-over-year level. The University of Michigan's consumer sentiment index rose to a preliminary reading of 59.1 in December as inflation concerns appear to be easing. China announced a 10-point guideline for their new COVID prevention and control measures as the country shifts from a zero-COVID policy to reopening.

U.S. Equity Returns (Size & Style - Russell)												
	<u>Week</u>			<u>MTD</u>			<u>QTD</u>			<u>YTD</u>		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-3.35%	-3.48%	-3.62%	-3.47%	-3.61%	-3.75%	13.08%	9.75%	6.52%	-7.00%	-17.23%	-26.14%
	-3.68%	-3.87%	-4.20%	-3.69%	-3.67%	-3.62%	12.07%	11.19%	9.61%	-10.74%	-15.80%	-24.87%
Mid	-4.67%	-5.06%	-5.44%	-4.57%	-4.73%	-4.88%	10.72%	8.23%	5.84%	-12.66%	-18.94%	-25.15%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)												
	<u>Week</u>			<u>MTD</u>			<u>QTD</u>			<u>YTD</u>		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	-0.21%	-0.35%	-0.67%	0.14%	0.21%	3.22%	1.05%	1.46%	4.38%	-5.35%	-7.31%	-25.65%
Corp	-0.23%	-0.32%	-0.16%	0.18%	0.46%	3.22%	2.01%	3.27%	10.06%	-5.58%	-8.93%	-22.33%
HY	-0.16%	-0.22%	0.45%	0.52%	0.69%	1.65%	4.60%	5.56%	6.16%	-5.05%	-9.33%	-20.93%

Index Returns					S&P 500 Sector Returns				
	Week	MTD	QTD	YTD		Week	MTD	QTD	YTD
Equities (Stocks)					Consumer Disc	-4.47%	-4.74%	-3.58%	-32.40%
S&P 500	-3.35%	-3.52%	10.12%	-16.17%	Consumer Staples	-1.78%	-1.75%	13.96%	0.48%
S&P MidCap 400	-4.02%	-4.14%	12.42%	-11.78%	Energy	-8.30%	-9.23%	14.85%	54.98%
Russell 2000	-5.06%	-4.73%	8.23%	-18.94%	Financials	-3.86%	-4.91%	13.99%	-10.23%
MSCI EAFE	-0.20%	1.83%	19.39%	-12.96%	Health Care	-1.28%	-0.78%	14.10%	-0.83%
MSCI Emerging Markets	0.48%	0.65%	11.99%	-18.43%	Industrials	-3.19%	-2.58%	19.70%	-5.10%
MSCI EAFE Small Cap	-0.72%	1.75%	16.57%	-20.86%	Info Technology	-3.33%	-3.79%	9.98%	-24.60%
Fixed Income (Bonds)					Materials	-3.28%	-2.18%	19.16%	-9.13%
Bloomberg Int Gov/Credit	-0.34%	0.29%	2.02%	-7.80%	Real Estate	-1.70%	-2.41%	6.24%	-24.09%
Bloomberg US Agg	-0.44%	0.89%	3.25%	-11.84%	Communication Svcs	-5.39%	-5.06%	1.59%	-38.07%
Bloomberg US High Yield	-0.19%	0.72%	5.58%	-9.98%	Utilities	-0.27%	-0.86%	8.27%	1.22%
Other					Bond Yields				
Bloomberg Commodity	-2.31%	-3.62%	0.99%	14.70%		12/9/22	11/30/22	9/30/22	12/31/21
S&P Dev Property	-0.75%	-0.59%	9.60%	-22.70%	3Mo Libor	4.73%	4.78%	3.75%	0.21%
HFRX Global Hedge Fund	-0.15%	0.04%	0.27%	-4.31%	SOFR 3Mo Swap	4.50%	4.39%	3.60%	0.09%
Commodities and Currency					2Yr Treasury	4.70%	4.71%	4.28%	0.73%
	12/9/22	11/30/22	9/30/22	12/31/21	10Yr Treasury	3.70%	3.68%	3.83%	1.51%
Oil (\$/barrel)	71.02	80.55	79.49	76.99	2-10 Slope	-1.00%	-1.03%	-0.45%	0.78%
Gold (\$/oz.)	1797.32	1768.52	1660.61	1829.2					

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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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