

Weekly Market Update

Market Data as of Week Ending: 1/6/2023 unless noted otherwise

U.S. stock prices regained their footing as most major indexes ended in positive territory for the first week of the year. Stocks responded favorably to economic reports that support a less restrictive stance from the Federal Reserve. Value stocks outperformed their growth oriented counterparts and mid-sized companies outshined both their larger and smaller sized peers. Most of the major economic sectors were up for the week with health care as the only exception, ending the week with a modest loss. Analyst expectations have been lowered over the past several weeks as the consensus estimate for fourth quarter earnings growth has been reduced to -4.1%. Developed foreign and emerging markets stocks ended the week with solid gains as both markets finished ahead of domestic equities.

Intermediate and long-term U.S. Treasury yields dropped sharply on Friday as the 10-year ended the week more than 0.30% lower at 3.63%. The front-end of the yield curve was effectively unchanged as the 2-year finished around where it started the year at 4.70%. Returns were positive across the quality and duration spectrum as long duration government bonds were the best performing segment. Yields moved lower for both investment grade corporate and high yield bonds, ending the week at 5.2% and just below 8.5%, respectively.

Economic data were generally mixed with investors focused on employment reports and Fed minutes. Job openings were essentially unchanged in November ending the month at 10.5 million and unemployment slowed to 3.5% in December. Hiring and wage gains are starting to decelerate which should support a reduction in the pace of rate increases from the Fed. Minutes from the Federal Reserve meeting in December show that committee members are concerned about easing in financial conditions absent a significant reduction in inflation. Services PMI data from both ISM and S&P point toward contractionary territory as new orders fell again in December. Manufacturing PMI data is also below the 50 level with weaker demand and slower output. In Europe, inflation fell below 10% for the first time in two months as lower energy prices brought the figure down to a 9.2% annual

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	2.51%	1.45%	0.32%	2.51%	1.45%	0.32%	2.51%	1.45%	0.32%	2.51%	1.45%	0.32%
Mid	2.84%	2.18%	0.95%	2.84%	2.18%	0.95%	2.84%	2.18%	0.95%	2.84%	2.18%	0.95%
Small	2.24%	1.81%	1.38%	2.24%	1.81%	1.38%	2.24%	1.81%	1.38%	2.24%	1.81%	1.38%

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	0.63%	1.01%	4.47%	0.63%	1.01%	4.47%	0.63%	1.01%	4.47%	0.63%	1.01%	4.47%
Corp	0.61%	1.10%	3.75%	0.61%	1.10%	3.75%	0.61%	1.10%	3.75%	0.61%	1.10%	3.75%
HY	1.82%	2.23%	2.23%	1.82%	2.23%	2.23%	1.82%	2.23%	2.23%	1.82%	2.23%	2.23%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.47%	1.47%	1.47%	1.47%
S&P MidCap 400	2.48%	2.48%	2.48%	2.48%
Russell 2000	1.81%	1.81%	1.81%	1.81%
MSCI EAFE	2.68%	2.68%	2.68%	2.68%
MSCI Emerging Markets	3.39%	3.39%	3.39%	3.39%
MSCI EAFE Small Cap	1.54%	1.54%	1.54%	1.54%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	1.02%	1.02%	1.02%	1.02%
Bloomberg US Agg	1.85%	1.85%	1.85%	1.85%
Bloomberg US High Yield	2.23%	2.23%	2.23%	2.23%
Other				
Bloomberg Commodity	-4.08%	-4.08%	-4.08%	-4.08%
S&P Dev Property	1.38%	1.38%	1.38%	1.38%
HFRX Global Hedge Fund	0.44%	0.44%	0.44%	0.44%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	2.25%	2.25%	2.25%	2.25%
Consumer Staples	1.77%	1.77%	1.77%	1.77%
Energy	0.00%	0.00%	0.00%	0.00%
Financials	3.42%	3.42%	3.42%	3.42%
Health Care	-0.17%	-0.17%	-0.17%	-0.17%
Industrials	2.72%	2.72%	2.72%	2.72%
Info Technology	0.24%	0.24%	0.24%	0.24%
Materials	3.45%	3.45%	3.45%	3.45%
Real Estate	2.42%	2.42%	2.42%	2.42%
Communication Svcs	3.75%	3.75%	3.75%	3.75%
Utilities	0.70%	0.70%	0.70%	0.70%

Bond Yields

	1/6/23	12/31/22	12/31/22	12/31/22
3Mo Libor	4.81%	4.77%	4.77%	4.77%
SOFR 3Mo Swap	4.62%	4.59%	4.59%	4.59%
2Yr Treasury	4.70%	4.71%	4.71%	4.71%
10Yr Treasury	3.63%	3.97%	3.97%	3.97%
2-10 Slope	-1.07%	-0.74%	-0.74%	-0.74%

Commodities and Currency

	1/6/23	12/31/22	12/31/22	12/31/22
Oil (\$/barrel)	73.77	80.26	80.26	80.26
Gold (\$/oz.)	1865.69	1824.02	1824.02	1824.02

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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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