

Weekly Market Update

Market Data as of Week Ending: 2/24/2023 unless noted otherwise

U.S. stock prices ended the week lower as the S&P 500 recorded its worst weekly loss since early December, falling -2.66%, as investors are concerned that inflation may have reversed course and ongoing rate hikes from the Fed appear more likely. With the fourth quarter earnings season nearing the home stretch, 66% of S&P 500 companies have topped revenue estimates, and approximately 68% have exceeded earnings projections, both below their 5-year average. Value stocks generally outperformed their growth-oriented counterparts, while small and mid-sized companies underperformed their large-cap peers. Ten of the eleven economic sectors were negative, with consumer discretionary and communication services being the prominent laggards. The energy sector was the best performing sector, being the only one to notch a positive week as oil rebounded slightly. Developed foreign and emerging markets stocks were negative for the week but were mixed versus domestic equities.

U.S. Treasury yields increased solidly over the week as the hotter-than-expected inflation print and course of further interest-rate hikes were priced into the market. The 10-year U.S. Treasury yields ended the week at 3.95%, its highest level since November of 2022. The 2-year U.S. Treasury yield also increased, climbing to 4.78%. Returns were negative across the quality and duration spectrum as short and intermediate duration high yield bonds were the best performing segments. Yields increased for investment grade corporate bonds and high yield bonds, ending the week above 5.5% and 8.7%, respectively.

Economic data was generally mixed for the week. Flash S&P 500 manufacturing and services PMI readings showed improvement as both indices edged higher. U.S. existing home sales fell 0.7% to a seasonally adjusted rate of 4 million in January, marking the 12th straight monthly decline. The U.S. GDP was revised lower from 2.9% to 2.7% for the fourth quarter as consumer spending grew at 1.4% rather than the 2.1% that was originally reported. Consumer spending rose 1.8% in January, its largest increase in three months, as Americans spent more on prescription drugs and at restaurants. The U.S. savings rate rose to 4.7% from 4.5%, continuing its upward trend despite personal incomes only rising 0.6%. U.S. inflation jumped again as PCE rose by 0.6% in January, its largest increase since last summer. Consumer sentiment rose to a 13-month high of 67 in February, suggesting a higher degree of optimism about the economy among U.S. households. The U.K. and Germany both saw consumer confidence rebound from recent lows, with the U.K. recording its biggest improvement in nearly two 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	-2.43%	-2.68%	-2.94%	-3.21%	-2.42%	-1.59%	1.80%	4.12%	6.61%	1.80%	4.12%	6.61%
Mid	-2.64%	-2.81%	-3.11%	-3.08%	-2.46%	-1.32%	4.75%	5.64%	7.30%	4.75%	5.64%	7.30%
Small	-2.97%	-2.86%	-2.74%	-2.45%	-2.05%	-1.66%	6.86%	7.49%	8.12%	6.86%	7.49%	8.12%

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	-0.44%	-0.61%	-1.43%	-1.35%	-1.92%	-5.35%	-0.27%	-0.36%	0.71%	-0.27%	-0.36%	0.71%
Corp	-0.50%	-0.73%	-1.49%	-1.35%	-2.17%	-5.67%	0.21%	0.30%	0.84%	0.21%	0.30%	0.84%
HY	-0.15%	-0.15%	-0.81%	-0.97%	-1.68%	-3.22%	2.07%	2.01%	1.67%	2.07%	2.01%	1.67%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-2.66%	-2.46%	3.66%	3.66%
S&P MidCap 400	-2.44%	-1.84%	7.21%	7.21%
Russell 2000	-2.86%	-2.05%	7.49%	7.49%
MSCI EAFE	-2.41%	-2.98%	4.88%	4.88%
MSCI Emerging Markets	-2.74%	-5.73%	1.72%	1.72%
MSCI EAFE Small Cap	-2.13%	-3.35%	3.87%	3.87%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.64%	-1.98%	-0.15%	-0.15%
Bloomberg US Agg	-0.89%	-2.82%	0.16%	0.16%
Bloomberg US High Yield	-0.17%	-1.74%	2.00%	2.00%
Other				
Bloomberg Commodity	-0.83%	-5.30%	-5.76%	-5.76%
S&P Dev Property	-2.75%	-4.85%	3.61%	3.61%
HFRX Global Hedge Fund	-0.28%	-0.34%	1.33%	1.33%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.43%	-3.21%	11.33%	11.33%
Consumer Staples	-1.40%	-1.50%	-2.38%	-2.38%
Energy	0.17%	-6.06%	-3.42%	-3.42%
Financials	-1.95%	-2.42%	4.29%	4.29%
Health Care	-2.67%	-3.61%	-5.41%	-5.41%
Industrials	-2.64%	-1.52%	2.14%	2.14%
Info Technology	-2.70%	0.11%	9.44%	9.44%
Materials	-0.12%	-4.07%	4.55%	4.55%
Real Estate	-3.77%	-6.23%	3.02%	3.02%
Communication Svcs	-4.37%	-5.31%	8.43%	8.43%
Utilities	-2.75%	-3.60%	-5.53%	-5.53%

Bond Yields

	2/24/23	1/31/23	12/31/22	12/31/22
3Mo Libor	4.95%	4.81%	4.77%	4.77%
SOFR 3Mo Swap	4.88%	4.68%	4.59%	4.59%
2Yr Treasury	4.78%	4.21%	4.41%	4.41%
10Yr Treasury	3.95%	3.52%	3.88%	3.88%
2-10 Slope	-0.83%	-0.69%	-0.53%	-0.53%

Commodities and Currency

	2/24/23	1/31/23	12/31/22	12/31/22
Oil (\$/barrel)	76.32	78.87	80.26	80.26
Gold (\$/oz.)	1811.04	1928.36	1824.02	1824.02

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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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