

# Weekly Market Update

Market Data as of Week Ending: 3/10/2023 unless noted otherwise

U.S. stock prices declined sharply as investors reacted to the Congressional testimony of Fed Chair Powell and concerns about the banking sector as the government took control of SVB Financial. Volatility picked back up as the S&P 500 nearly erased all the prior gains for the year thus far. Growth outperformed their value-oriented counterparts and large-sized companies outperformed their small and mid-sized peers. All major economic sectors were down with notable losses in the financials, materials, and real estate sectors. Traditionally defensive sectors such as utilities and consumer staples outperformed and were the best performing sectors. Developed foreign and emerging markets stocks were also down for the week but outperformed domestic equities.

U.S. Treasury yields were volatile as the 2-year U.S. Treasury yield rose above 5% and then fell by nearly half a percentage point to end the week at 4.60%. The flight to safety also hit the intermediate part of the curve as the U.S. Treasury yield fell sharply on Friday, ending the week at 3.70%. Higher quality and longer duration bonds outperformed as investors rotated out of risk assets. High yield corporate bonds suffered from the shift in risk sentiment and lagged across the curve. Yields for investment grade corporate bonds and high yield bonds ended the week at 5.4% and 8.9%, respectively.

Financial markets were focused on the testimony of Chair Powell along with the jobs report as the Fed enters the blackout period, where we will not hear from officials until the press conference on March 22nd. Economic data continued in a week that was packed full of incoming data. Job openings declined to 10.8 million and weekly jobless claims rose by more than 20,000 to end the period at 211,000. The official jobs report was mixed with a higher than expected 311,000 increase in non-farm payrolls and hourly earnings that rose 0.2% for the month, slightly lower than expected. However, the unemployment rate surprised investors by rising from the five-decade low of 3.4% to 3.6%. In Europe, economic data was also mixed as consumer demand slowed but industrial production strengthened.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-5.50%	-4.87%	-4.23%	-3.74%	-3.01%	-2.26%	-2.33%	1.03%	4.63%	-2.33%	1.03%	4.63%
Mid	-7.19%	-6.86%	-6.28%	-5.51%	-4.88%	-3.75%	-1.15%	0.52%	3.61%	-1.15%	0.52%	3.61%
Small	-8.28%	-8.03%	-7.79%	-7.17%	-6.49%	-5.83%	-0.66%	0.89%	2.41%	-0.66%	0.89%	2.41%

## 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	0.80%	1.14%	3.58%	0.63%	0.90%	3.77%	0.47%	0.73%	5.19%	0.47%	0.73%	5.19%
Corp	0.38%	0.54%	1.21%	0.32%	0.51%	1.92%	0.69%	1.00%	3.02%	0.69%	1.00%	3.02%
HY	-0.73%	-0.91%	-0.50%	-0.44%	-0.60%	-0.24%	2.04%	1.87%	1.76%	2.04%	1.87%	1.76%

## Index Returns

	Week	MTD	QTD	YTD
<b>Equities (Stocks)</b>				
S&P 500	-4.51%	-2.67%	0.92%	0.92%
S&P MidCap 400	-7.35%	-5.64%	1.20%	1.20%
Russell 2000	-8.03%	-6.49%	0.89%	0.89%
MSCI EAFE	-0.76%	0.11%	5.96%	5.96%
MSCI Emerging Markets	-3.29%	-0.87%	0.03%	0.03%
MSCI EAFE Small Cap	-0.82%	-0.45%	4.66%	4.66%
<b>Fixed Income (Bonds)</b>				
Bloomberg Int Gov/Credit	0.95%	0.77%	0.81%	0.81%
Bloomberg US Agg	1.17%	1.04%	1.45%	1.45%
Bloomberg US High Yield	-0.90%	-0.59%	1.87%	1.87%
<b>Other</b>				
Bloomberg Commodity	-3.38%	-1.38%	-6.48%	-6.48%
S&P Dev Property	-5.19%	-4.85%	-1.18%	-1.18%
HFRX Global Hedge Fund	-0.25%	0.06%	1.25%	1.25%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-5.49%	-5.01%	6.98%	6.98%
Consumer Staples	-1.89%	-1.30%	-4.52%	-4.52%
Energy	-5.30%	-1.29%	-5.73%	-5.73%
Financials	-8.46%	-7.77%	-3.70%	-3.70%
Health Care	-3.90%	-2.39%	-8.63%	-8.63%
Industrials	-4.43%	-1.87%	0.88%	0.88%
Info Technology	-3.05%	-0.54%	9.22%	9.22%
Materials	-7.61%	-4.49%	0.65%	0.65%
Real Estate	-6.82%	-5.44%	-2.43%	-2.43%
Communication Svcs	-4.10%	-1.62%	7.40%	7.40%
Utilities	-2.81%	-0.95%	-8.66%	-8.66%

## Bond Yields

	3/10/23	2/28/23	12/31/22	12/31/22
3Mo Libor	5.14%	4.97%	4.77%	4.77%
SOFR 3Mo Swap	5.01%	4.89%	4.59%	4.59%
2Yr Treasury	4.60%	4.81%	4.41%	4.41%
10Yr Treasury	3.70%	3.92%	3.88%	3.88%
2-10 Slope	-0.90%	-0.89%	-0.53%	-0.53%

## Commodities and Currency

	3/10/23	2/28/23	12/31/22	12/31/22
Oil (\$/barrel)	76.68	77.05	80.26	80.26
Gold (\$/oz.)	1868.26	1826.92	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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