

Weekly Market Update

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

U.S. stock prices advanced after closing out the month of February with losses. The S&P 500 declined 2.44% for the prior month as investors grappled with mixed economic signals and stubborn inflation. Quarterly reports from companies in the S&P 500 were generally worse than expected as aggregate earnings growth declined nearly -5% in the fourth quarter. Analysts are expecting earnings to decline nearly 6% in the first quarter; however, they are still forecasting 2023 revenue and earnings to grow by 2%. For the prior week, growth stocks rotated back into favor and outperformed their value-oriented counterparts, while the size factor was mostly irrelevant. Nine of the eleven economic sectors were positive with materials and industrials being the prominent leaders. Utilities and consumer staples were the only two sectors with losses as defensive sectors lagged. Developed foreign and emerging markets stocks were positive for the week but underperformed domestic equities.

U.S. Treasury yields were mixed as the 10-year U.S. Treasury yield rose above 4% for the first time since October but came back in and ended the week at 3.97%. The bond market has been repricing an extension of elevated rates by the Fed as economic data shows a resilient consumer with continued strength in the labor market. Long duration bonds delivered solid gains as long government and investment grade corporate bonds were the best performing segments. High yield corporate bonds also benefited from the favorable risk sentiment and delivered gains across the curve. Yields for investment grade corporate bonds and high yield bonds ended the week at 5.5% and 8.6%, respectively.

The trend of mixed economic data continued in a week that was packed full of incoming data. Durable goods illustrate how challenging the picture is right now as durable goods, excluding aircraft, were up 0.7%; however, overall durable goods orders were down -4.5%, the worst reading since April 2020. Survey data from ISM edged higher, but still shows continued contraction for the manufacturing sector with a PMI reading of 47.7. The services sector looks to be in much better shape as ISM reported a PMI figure that was ahead of expectations at 55.1. According to S&P Global, the US Composite PMI Index rose above 50 in February, following seven months of contraction. The housing market has been a consistent source of bad news as higher rates have stalled demand for home ownership. However, pending home sales were up 8.1% in January, marking the second month of gains. In Europe, headline inflation eased to 8.5%, but they are struggling to reduce core inflation that ticked up to 5.6% with an unemployment rate that is near record lows for the region.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.53%	2.00%	2.48%	1.86%	1.96%	2.06%	3.36%	6.21%	9.25%	3.36%	6.21%	9.25%
Mid	1.68%	2.16%	3.04%	1.81%	2.13%	2.69%	6.51%	7.92%	10.55%	6.51%	7.92%	10.55%
Small	1.36%	2.05%	2.72%	1.21%	1.67%	2.12%	8.31%	9.70%	11.06%	8.31%	9.70%	11.06%

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	-0.06%	-0.05%	0.84%	-0.17%	-0.24%	0.18%	-0.33%	-0.41%	1.55%	-0.33%	-0.41%	1.55%
Corp	0.09%	0.16%	0.94%	-0.06%	-0.03%	0.70%	0.31%	0.46%	1.78%	0.31%	0.46%	1.78%
HY	0.71%	0.78%	0.60%	0.29%	0.31%	0.26%	2.79%	2.81%	2.27%	2.79%	2.81%	2.27%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.96%	1.93%	5.69%	5.69%
S&P MidCap 400	1.88%	1.85%	9.23%	9.23%
Russell 2000	2.05%	1.67%	9.70%	9.70%
MSCI EAFE	1.81%	0.88%	6.77%	6.77%
MSCI Emerging Markets	1.68%	2.50%	3.43%	3.43%
MSCI EAFE Small Cap	1.59%	0.37%	5.52%	5.52%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.01%	-0.18%	-0.14%	-0.14%
Bloomberg US Agg	0.12%	-0.13%	0.28%	0.28%
Bloomberg US High Yield	0.78%	0.31%	2.79%	2.79%
Other				
Bloomberg Commodity	2.71%	2.07%	-3.21%	-3.21%
S&P Dev Property	0.60%	0.35%	4.23%	4.23%
HFRX Global Hedge Fund	0.17%	0.16%	1.36%	1.36%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	1.67%	0.51%	13.19%	13.19%
Consumer Staples	-0.32%	0.60%	-2.69%	-2.69%
Energy	3.07%	4.24%	-0.46%	-0.46%
Financials	0.88%	0.75%	5.20%	5.20%
Health Care	0.52%	1.56%	-4.93%	-4.93%
Industrials	3.34%	2.68%	5.55%	5.55%
Info Technology	2.94%	2.60%	12.66%	12.66%
Materials	4.20%	3.37%	8.94%	8.94%
Real Estate	1.64%	1.48%	4.71%	4.71%
Communication Svcs	3.28%	2.58%	11.98%	11.98%
Utilities	-0.51%	1.92%	-6.01%	-6.01%

Commodities and Currency

	3/3/23	2/28/23	12/31/22	12/31/22
Oil (\$/barrel)	79.68	77.05	80.26	80.26
Gold (\$/oz.)	1856.48	1826.92	1824.02	1824.02

Bond Yields

	3/3/23	2/28/23	12/31/22	12/31/22
3Mo Libor	4.98%	4.97%	4.77%	4.77%
SOFR 3Mo Swap	4.94%	4.89%	4.59%	4.59%
2Yr Treasury	4.86%	4.81%	4.41%	4.41%
10Yr Treasury	3.97%	3.92%	3.88%	3.88%
2-10 Slope	-0.89%	-0.89%	-0.53%	-0.53%

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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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