

Weekly Market Update

Market Data as of Week Ending: 4/7/2023 unless noted otherwise

U.S. stock prices moved mostly lower over a holiday-shortened week as renewed growth concerns weighed on investors. The S&P 500 declined slightly, ending the week down -0.06%, while the Dow Jones Industrial Average benefitted from money flowing into blue chip names. For the second consecutive week, value stocks outperformed their growth counterparts while large-sized companies outperformed their small and mid-sized peers. Renewed growth concerns impacted cyclical sectors the most as the industrials, consumer discretionary, and materials sectors lagged while traditionally defensive sectors, such as health care and utilities, enjoyed nice gains. The energy sector also outperformed on news that OPEC+ plans to cut production by 1.16 million barrels a day beginning in May. Developed foreign and emerging markets stocks moved lower last week and underperformed domestic equities.

U.S. Treasury yields fell for the fourth week out of the past five as weak economic data and light issuance sent bond prices higher. The spread between the 10-year and 2-year U.S. Treasury yields remained unchanged as they both fell -0.09% to finish the week at 3.39% and 3.97%, respectively. Government bonds benefitted the most from the decline in yields, outperforming across the curve. High yield bonds were weighed down by several new issues to begin the month. Yields for investment grade corporate bonds and high yield bonds ended the week at 5.0% and 8.6%, respectively.

Economic data was mostly negative in what was a busy holiday week. The ISM manufacturing index fell for the fifth month in a row, dropping to 46.3% in March, its lowest level since May 2020. The ISM Services index also slowed in March, falling to 51.2% from 55.1%, marking a three-month low. U.S. factory orders declined by 0.7% in February, the third drop in the last four, led by a decrease in transportation equipment orders. Job openings fell to a 21-month low of 9.9 million in February, potentially signaling some loosening in what has been a historically tight labor market. The U.S. added 236,000 new jobs in March, in-line with expectations, as hiring continues to remain strong. The U.S. unemployment rate fell to 3.5% from 3.6% as more people searched for and found work. Wage growth continues to moderate as hourly wages increased a mild 0.3% in March, a positive sign for the Federal Reserve. In Europe, the European Central Bank (ECB) indicated that further interest rate hikes will be required to combat inflationary pressures.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.08%	-0.29%	-0.63%	0.08%	-0.29%	-0.63%	0.08%	-0.29%	-0.63%	1.08%	7.15%	13.64%
Mid	-1.54%	-1.87%	-2.43%	-1.54%	-1.87%	-2.43%	-1.54%	-1.87%	-2.43%	-0.24%	2.11%	6.48%
Small	-2.62%	-2.65%	-2.67%	-2.62%	-2.65%	-2.67%	-2.62%	-2.65%	-2.67%	-3.26%	0.02%	3.24%

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	0.27%	0.39%	1.21%	0.27%	0.39%	1.21%	0.27%	0.39%	1.21%	2.14%	2.66%	7.44%
Corp	0.28%	0.38%	0.59%	0.28%	0.38%	0.59%	0.28%	0.38%	0.59%	1.97%	2.89%	6.06%
HY	0.07%	0.06%	0.76%	0.07%	0.06%	0.76%	0.07%	0.06%	0.76%	3.16%	3.63%	4.46%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.06%	-0.06%	-0.06%	7.43%
S&P MidCap 400	-2.57%	-2.57%	-2.57%	1.14%
Russell 2000	-2.65%	-2.65%	-2.65%	0.02%
MSCI EAFE	0.47%	0.47%	0.47%	8.97%
MSCI Emerging Markets	-0.27%	-0.27%	-0.27%	3.68%
MSCI EAFE Small Cap	-0.44%	-0.44%	-0.44%	4.45%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.39%	0.39%	0.39%	2.73%
Bloomberg US Agg	0.49%	0.49%	0.49%	3.47%
Bloomberg US High Yield	0.09%	0.09%	0.09%	3.66%
Other				
Bloomberg Commodity	0.77%	0.77%	0.77%	-4.63%
S&P Dev Property	-0.12%	-0.12%	-0.12%	0.59%
HFRX Global Hedge Fund	-0.02%	-0.02%	-0.02%	-0.02%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-2.95%	-2.95%	-2.95%	12.71%
Consumer Staples	0.94%	0.94%	0.94%	1.77%
Energy	3.03%	3.03%	3.03%	-1.78%
Financials	-0.55%	-0.55%	-0.55%	-6.08%
Health Care	3.11%	3.11%	3.11%	-1.33%
Industrials	-3.36%	-3.36%	-3.36%	-0.01%
Info Technology	-1.12%	-1.12%	-1.12%	20.45%
Materials	-1.26%	-1.26%	-1.26%	2.97%
Real Estate	-0.70%	-0.70%	-0.70%	1.40%
Communication Svcs	2.55%	2.55%	2.55%	23.57%
Utilities	3.11%	3.11%	3.11%	-0.23%

Bond Yields

	4/7/23	3/31/23	3/31/23	12/31/22
3Mo Libor	5.20%	5.19%	5.19%	4.77%
SOFR 3Mo Swap	4.97%	4.91%	4.91%	4.59%
2Yr Treasury	3.97%	4.06%	4.06%	4.41%
10Yr Treasury	3.39%	3.48%	3.48%	3.88%
2-10 Slope	-0.58%	-0.58%	-0.58%	-0.53%

Commodities and Currency

	4/7/23	3/31/23	3/31/23	12/31/22
Oil (\$/barrel)	80.7	75.67	75.67	80.26
Gold (\$/oz.)	2007.91	1969.28	1969.28	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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