

Weekly Market Update



Market Data as of Week Ending: 10/20/2023 unless noted otherwise

Stock prices declined as the combination of rising bond yields and geopolitical concerns were headwinds for risk assets. Quarterly earnings for companies in the S&P 500 were disappointing last week and are now expected to decline -0.4% in the third quarter, following three consecutive quarters of earnings contraction. Value stocks outperformed growth for the week, while large companies maintained their leadership position and outperformed their small and mid-sized peers. Most major economic sectors ended the week in negative territory, with notable outperformance in the energy, consumer staples, and communication services sectors. Cyclical and growth-oriented sectors lagged, such as consumer discretionary, information technology, and materials. Foreign developed and emerging market stock prices declined and underperformed their domestic peers.

U.S. Treasury yields rose as the 10-year yield nearly crossed the 5% threshold for the first time since 2007. The 10-year yield settled back down but still ended the week higher at 4.93%. Yields increased across the curve, and the 2-year finished slightly higher at 5.07%. All segments of the bond market declined, and shorter-duration bonds outperformed. Credit quality was mixed across the curve as short-duration government bonds outperformed, and long-duration government bonds were the worst-performing segment, down more than 4.5%. Credit spreads also increased, which led to higher yields for both U.S. Investment Grade Corporate and High Yield bonds, ending the week at 6.37% and 9.60%, respectively.

Economic data was generally favorable and led to higher expectations for third-quarter GDP, according to forecasts from the Atlanta Fed. Retail sales increased for the sixth consecutive month in September and came in higher than expected at 0.7%, following an upwardly revised 0.8% increase in August. Industrial production was another positive surprise that advanced 0.3% in September as manufacturing output increased 0.4%. Housing data was mixed despite a challenging environment as housing starts increased 7%, following a three-year low of 1.27 million in August. However, existing home sales in September dropped 2% to 3.96 million, the lowest level since October 2010. Other notable releases during the week included the Conference Board's U.S. Leading Economic Indicator (LEI), which fell again in September and has been in contractionary territory for 18 consecutive months.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.84%	-2.39%	-2.86%	-2.89%	-1.66%	-0.57%	-2.89%	-1.66%	-0.57%	-1.15%	11.13%	24.27%
Mid	-2.70%	-2.61%	-2.41%	-4.11%	-3.78%	-2.97%	-4.11%	-3.78%	-2.97%	-3.59%	-0.02%	6.61%
Small	-2.12%	-2.25%	-2.39%	-5.31%	-5.80%	-6.31%	-5.31%	-5.80%	-6.31%	-5.81%	-3.40%	-1.40%

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	-0.20%	-0.58%	-4.55%	-0.06%	-0.49%	-5.36%	-0.06%	-0.49%	-5.36%	1.10%	-0.17%	-13.41%
Corp	-0.40%	-1.02%	-4.23%	-0.33%	-1.05%	-4.79%	-0.33%	-1.05%	-4.79%	1.67%	0.29%	-7.37%
HY	-0.89%	-1.15%	-1.87%	-1.41%	-1.80%	-3.66%	-1.41%	-1.80%	-3.66%	4.75%	4.03%	-0.32%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-2.38%	-1.42%	-1.42%	11.47%
S&P MidCap 400	-2.02%	-4.30%	-4.30%	-0.21%
Russell 2000	-2.25%	-5.80%	-5.80%	-3.40%
MSCI EAFE	-2.59%	-3.46%	-3.46%	3.37%
MSCI Emerging Markets	-2.70%	-2.82%	-2.82%	-1.05%
MSCI EAFE Small Cap	-2.63%	-5.80%	-5.80%	-4.08%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.71%	-0.66%	-0.66%	-0.01%
Bloomberg US Agg	-1.73%	-1.95%	-1.95%	-3.13%
Bloomberg US High Yield	-1.17%	-1.85%	-1.85%	3.91%
Other				
Bloomberg Commodity	0.61%	1.25%	1.25%	-2.24%
S&P Dev Property	-3.38%	-4.30%	-4.30%	-7.72%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.45%	-5.34%	-5.34%	19.90%
Consumer Staples	0.83%	-2.12%	-2.12%	-6.78%
Energy	0.71%	-0.41%	-0.41%	5.59%
Financials	-2.91%	-2.85%	-2.85%	-4.45%
Health Care	-1.62%	-0.49%	-0.49%	-4.56%
Industrials	-2.97%	-2.57%	-2.57%	1.81%
Info Technology	-3.13%	-0.09%	-0.09%	34.60%
Materials	-3.02%	-4.14%	-4.14%	-1.64%
Real Estate	-4.63%	-3.86%	-3.86%	-9.09%
Communication Svcs	-0.54%	2.46%	2.46%	43.88%
Utilities	-2.12%	-1.53%	-1.53%	-15.72%

Bond Yields

	10/20/23	9/30/23	9/30/23	12/31/22
3Mo Libor	5.66%	5.66%	5.66%	4.77%
SOFR 3Mo Swap	5.37%	5.39%	5.39%	4.59%
2Yr Treasury	5.07%	5.03%	5.03%	4.41%
10Yr Treasury	4.93%	4.59%	4.59%	3.88%
2-10 Slope	-0.14%	-0.44%	-0.44%	-0.53%

Commodities and Currency

	10/20/23	9/30/23	9/30/23	12/31/22
Oil (\$/barrel)	88.75	90.79	90.79	80.26
Gold (\$/oz.)	1981.4	1848.63	1848.63	1824.02

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.