

# Weekly Market Update



Market Data as of Week Ending: 6/16/2023 unless noted otherwise

Major U.S. stock indexes rallied last week off the news of the Federal Reserve holding the official federal funds target rate steady - breaking a string of ten consecutive meetings with rate hikes. The S&P 500 recorded its fifth positive weekly result in a row, its longest streak since November 2021, and ended the week up 2.62%. Growth stocks outperformed their value counterparts, and large companies outperformed their small and mid-sized peers. Ten of the eleven S&P 500 sectors closed the week with gains. Mega caps were once again leaders for the week, lifting the information technology and consumer discretionary sectors. The energy sector was the lone laggard in negative territory as U.S. crude inventories increased sharply and global demand concerns resurfaced. Developed foreign and emerging markets stocks advanced and both markets outperformed domestic equities.

U.S. Treasury yields rose last week as the hawkish Fed dot plot reinforced the belief that they view this as a "skip" rather than a "pause" in the rate-hiking cycle. The yield on the 2-year note ended the week at 4.70%, while the 10-year Treasury yield increased to 3.77%. Short and intermediate-term government bonds fared the worst while high yield bonds outperformed with gains across the curve as many investors in the bond market are willing to accept more credit risk. Yields for investment grade corporate bonds and high yield bonds were little changed as they ended the week at 5.5% and 8.6%, respectively.

Economic data for the week was mostly better-than-expected as favorable inflation data grabbed headlines. Small business owners grew more optimistic in May as the NFIB index increased to 89.4 from 89.0 in April. U.S. consumer prices rose a meager 0.1% in May, bringing the yearly rate of inflation to 4% from 4.9%, marking the lowest level since March 2021. U.S. wholesale prices fell 0.3% in May, the third decrease in the past four months, as gasoline prices fell 14%. U.S. retail sales rose 0.3% in May, well above the forecasted drop of 0.2%, as consumers continue to show resilience. The Philadelphia Federal Reserve's manufacturing index fell to -13.7 in June, down from the prior month but better than the forecasted reading of -14.8, as new orders continue to weigh. U.S. consumer sentiment rose to a four-month high of 63.9 as Americans grow more confident in the economy as inflation wanes and unemployment remains historically low. As expected, the ECB raised its key interest rate by a quarter-point bringing it to 3.5% - its highest level in 22 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	1.98%	2.64%	3.22%	5.80%	5.74%	5.68%	3.25%	7.55%	11.59%	4.29%	15.57%	27.62%
Mid	2.15%	2.46%	2.99%	7.25%	6.88%	6.26%	2.50%	3.34%	4.78%	3.85%	7.53%	14.36%
Small	0.30%	0.58%	0.84%	7.59%	7.30%	7.04%	2.84%	4.39%	5.81%	2.17%	7.25%	12.24%

## 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	-0.14%	-0.14%	0.47%	-0.52%	-0.64%	-0.21%	-0.63%	-0.84%	-2.48%	1.22%	1.40%	3.52%
Corp	0.08%	0.17%	1.18%	-0.26%	-0.26%	0.85%	0.03%	-0.25%	-1.21%	1.71%	2.24%	4.17%
HY	0.41%	0.43%	0.57%	1.46%	1.59%	1.95%	1.77%	1.72%	0.70%	4.91%	5.34%	4.39%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	2.62%	5.59%	7.71%	15.78%
S&P MidCap 400	1.56%	7.33%	3.09%	7.02%
Russell 2000	0.58%	7.30%	4.39%	7.25%
MSCI EAFE	2.88%	6.40%	4.78%	13.65%
MSCI Emerging Markets	2.91%	7.71%	4.71%	8.85%
MSCI EAFE Small Cap	2.27%	6.00%	3.61%	8.71%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.04%	-0.52%	-0.65%	1.67%
Bloomberg US Agg	0.20%	-0.24%	-0.72%	2.22%
Bloomberg US High Yield	0.44%	1.60%	1.68%	5.31%
Other				
Bloomberg Commodity	4.25%	7.58%	0.75%	-4.65%
S&P Dev Property	0.95%	4.54%	2.06%	2.79%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	3.16%	9.38%	11.83%	29.87%
Consumer Staples	2.11%	3.02%	0.24%	1.06%
Energy	-0.67%	5.37%	-2.07%	-6.64%
Financials	1.23%	5.77%	4.42%	-1.39%
Health Care	1.50%	3.49%	2.10%	-2.30%
Industrials	2.96%	8.90%	4.21%	7.82%
Info Technology	4.45%	5.68%	16.21%	41.57%
Materials	3.36%	8.86%	1.27%	5.61%
Real Estate	1.60%	4.57%	0.82%	2.79%
Communication Svcs	2.13%	2.98%	13.50%	36.77%
Utilities	1.35%	3.63%	-0.62%	-3.85%

## Bond Yields

	6/16/23	5/31/23	3/31/23	12/31/22
3Mo Libor	5.51%	5.52%	5.19%	4.77%
SOFR 3Mo Swap	5.22%	5.24%	4.91%	4.59%
2Yr Treasury	4.70%	4.40%	4.06%	4.41%
10Yr Treasury	3.77%	3.64%	3.48%	3.88%
2-10 Slope	-0.93%	-0.76%	-0.58%	-0.53%

## Commodities and Currency

	6/16/23	5/31/23	3/31/23	12/31/22
Oil (\$/barrel)	71.78	68.09	75.67	80.26
Gold (\$/oz.)	1957.98	1962.73	1969.28	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.