

Weekly Market Update



Market Data as of Week Ending: 7/14/2023 unless noted otherwise

Major U.S. stock indexes recovered and finished the week with gains as investors responded favorably to positive economic surprises. Several of the largest banks reported second-quarter results, and despite recent turmoil, the health of these financial institutions remains solid with no clear signs of an imminent recession. Growth stocks rotated back into favor and outperformed their value counterparts, and smaller companies were the best performing compared to their mid and large-sized peers. All major economic sectors were positive, with notable gains in the consumer discretionary and communication services sectors. Energy stocks lagged and were up less than 1%, despite rising oil prices and mostly favorable economic data. Both developed foreign and emerging markets stocks outperformed, benefiting from a weaker U.S. dollar.

U.S. Treasury yields have been volatile and ended the week lower on better than expected inflation data. The yield on the 2-year note ended the week lower at 4.74%, while the 10-year Treasury yield dropped below 4% and finished at 3.83%. All segments across the curve were positive, with notable gains in long duration corporate and government bonds. Yields for investment grade corporate bonds and high yield bonds declined and ended the week at 5.5% and 8.4%, respectively.

Economic data was mostly favorable led by inflation data coming in better than expected. Both the monthly CPI and core (excluding food and energy prices) inflation increased 0.2% in June. That was the first monthly Core CPI reading below 0.3% in nearly two years. Headline CPI increased 3% compared to the same period one year, the lowest increase since March 2021. Producer Price Inflation (PPI) also came in better than expected on Thursday with both headline and core figures up only 0.10% for the month of June. The University of Michigan's consumer sentiment index surged to 72.6, its highest level in nearly two years and the largest monthly increase since 2006. The sharp advance was attributed to better labor market conditions and falling inflation, according to surveyed consumers. Wage growth remains firm in the UK, with the most recent figures up more than 7%, despite a small increase in unemployment, up to 4%.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.87%	2.58%	3.22%	0.79%	1.48%	2.09%	0.79%	1.48%	2.09%	5.96%	18.40%	31.71%
Mid	2.42%	2.84%	3.89%	2.13%	2.21%	2.41%	2.13%	2.21%	2.41%	7.48%	11.42%	18.73%
Small	3.18%	3.58%	3.98%	2.45%	2.28%	2.10%	2.45%	2.28%	2.10%	5.02%	10.55%	15.94%

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	0.77%	1.09%	2.35%	0.45%	0.42%	-0.99%	0.45%	0.42%	-0.99%	1.42%	1.54%	2.69%
Corp	0.78%	1.21%	2.38%	0.43%	0.40%	-0.32%	0.43%	0.40%	-0.32%	2.19%	2.74%	4.54%
HY	1.25%	1.60%	1.79%	0.82%	0.99%	1.04%	0.82%	0.99%	1.04%	5.86%	6.43%	6.25%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	2.44%	1.30%	1.30%	18.41%
S&P MidCap 400	2.74%	2.01%	2.01%	11.03%
Russell 2000	3.58%	2.28%	2.28%	10.55%
MSCI EAFE	4.87%	2.73%	2.73%	14.71%
MSCI Emerging Markets	4.95%	4.28%	4.28%	9.38%
MSCI EAFE Small Cap	4.62%	4.15%	4.15%	9.90%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	1.13%	0.42%	0.42%	1.92%
Bloomberg US Agg	1.51%	0.20%	0.20%	2.29%
Bloomberg US High Yield	1.60%	0.99%	0.99%	6.42%
Other				
Bloomberg Commodity	2.74%	3.28%	3.28%	-4.76%
S&P Dev Property	3.94%	4.03%	4.03%	5.65%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	3.31%	2.98%	2.98%	37.03%
Consumer Staples	1.21%	0.13%	0.13%	1.41%
Energy	0.62%	-0.06%	-0.06%	-5.57%
Financials	1.98%	1.59%	1.59%	1.06%
Health Care	2.11%	-0.80%	-0.80%	-2.27%
Industrials	2.22%	1.17%	1.17%	11.47%
Info Technology	2.81%	1.33%	1.33%	44.67%
Materials	2.50%	0.45%	0.45%	8.22%
Real Estate	2.66%	2.89%	2.89%	6.79%
Communication Svcs	3.36%	3.22%	3.22%	40.64%
Utilities	2.26%	2.13%	2.13%	-3.68%

Bond Yields

	7/14/23	6/30/23	6/30/23	12/31/22
3Mo Libor	5.57%	5.55%	5.55%	4.77%
SOFR 3Mo Swap	5.32%	5.26%	5.26%	4.59%
2Yr Treasury	4.74%	4.87%	4.87%	4.41%
10Yr Treasury	3.83%	3.81%	3.81%	3.88%
2-10 Slope	-0.91%	-1.06%	-1.06%	-0.53%

Commodities and Currency

	7/14/23	6/30/23	6/30/23	12/31/22
Oil (\$/barrel)	75.42	70.64	70.64	80.26
Gold (\$/oz.)	1955.21	1919.35	1919.35	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.