

Weekly Market Update



Market Data as of Week Ending: 7/21/2023 unless noted otherwise

Most major U.S. stock indexes advanced as investors responded favorably to better-than-expected corporate earnings. 75% of companies in the S&P 500 have reported a positive earnings surprise, despite a reduced estimate for earnings growth in the second quarter that has declined to -9%. Value stocks rotated back into favor and outperformed their growth counterparts, and large companies lagged their small and mid-sized peers. Economic sector returns were mixed, with notable gains in the energy, health care, and financials sectors. Growth-oriented sectors such as communication services and consumer discretionary lagged and declined for the week. Both developed foreign and emerging markets stocks underperformed as the U.S. dollar strengthened.

U.S. Treasury yields were mixed as the front end of the curve rose and the long end of the curve ended the week lower. The yield on the 2-year note ended the week higher at 4.82%, while the 10-year Treasury yield narrowly advanced to 3.84%. Long duration corporate was the best-performing segment, and short to intermediate government bonds lagged. Yields for investment grade corporate bonds and high yield bonds were effectively unchanged to finish the week at 5.5% and 8.4%, respectively.

Economic data was mixed, led by retail sales data for the month of June that came in lower than expected. Retail sales increased 0.2% in June but results in May were revised upwards to a monthly gain of 0.5%. Core retail sales (excluding volatile sectors such as autos and gas) advanced 0.6% which is further evidence of a resilient U.S. consumer. Housing stats cooled off after a surge to 1.56 million units in May; the June figures declined to 1.43 million. Industrial production declined 0.5%, and manufacturing production declined 0.3% in June. On a year-over-year basis, manufacturing production has declined five of the last seven months; however, this is the first yearly decline in industrial production since February 2021. Revised figures show that Europe narrowly avoided a technical recession as the first quarter GDP was flat, but inflation remains elevated across 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	2.12%	0.71%	-0.53%	2.93%	2.20%	1.55%	2.93%	2.20%	1.55%	8.20%	19.25%	31.01%
Mid	1.44%	1.05%	0.13%	3.60%	3.29%	2.54%	3.60%	3.29%	2.54%	9.02%	12.60%	18.89%
Small	2.30%	1.52%	0.73%	4.81%	3.83%	2.85%	4.81%	3.83%	2.85%	7.43%	12.23%	16.79%

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	-0.09%	-0.10%	0.31%	0.36%	0.32%	-0.69%	0.36%	0.32%	-0.69%	1.33%	1.43%	3.01%
Corp	0.01%	0.05%	0.48%	0.44%	0.45%	0.16%	0.44%	0.45%	0.16%	2.20%	2.79%	5.05%
HY	0.11%	0.12%	-0.34%	0.94%	1.11%	0.69%	0.94%	1.11%	0.69%	5.98%	6.56%	5.88%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	0.70%	2.00%	2.00%	19.24%
S&P MidCap 400	1.20%	3.24%	3.24%	12.36%
Russell 2000	1.52%	3.83%	3.83%	12.23%
MSCI EAFE	-0.57%	2.14%	2.14%	14.06%
MSCI Emerging Markets	-1.31%	2.91%	2.91%	7.94%
MSCI EAFE Small Cap	-0.84%	3.27%	3.27%	8.98%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.06%	0.36%	0.36%	1.87%
Bloomberg US Agg	0.01%	0.21%	0.21%	2.30%
Bloomberg US High Yield	0.10%	1.09%	1.09%	6.53%
Other				
Bloomberg Commodity	1.64%	4.97%	4.97%	-3.20%
S&P Dev Property	0.49%	4.54%	4.54%	6.16%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-2.28%	0.63%	0.63%	33.90%
Consumer Staples	1.75%	1.88%	1.88%	3.18%
Energy	3.53%	3.48%	3.48%	-2.23%
Financials	2.95%	4.60%	4.60%	4.05%
Health Care	3.48%	2.65%	2.65%	1.13%
Industrials	0.90%	2.08%	2.08%	12.48%
Info Technology	-0.08%	1.25%	1.25%	44.56%
Materials	0.58%	1.03%	1.03%	8.84%
Real Estate	-0.50%	2.37%	2.37%	6.25%
Communication Svcs	-3.01%	0.12%	0.12%	36.40%
Utilities	2.40%	4.58%	4.58%	-1.37%

Bond Yields

	7/21/23	6/30/23	6/30/23	12/31/22
3Mo Libor	5.61%	5.55%	5.55%	4.77%
SOFR 3Mo Swap	5.35%	5.26%	5.26%	4.59%
2Yr Treasury	4.82%	4.87%	4.87%	4.41%
10Yr Treasury	3.84%	3.81%	3.81%	3.88%
2-10 Slope	-0.98%	-1.06%	-1.06%	-0.53%

Commodities and Currency

	7/21/23	6/30/23	6/30/23	12/31/22
Oil (\$/barrel)	77.17	70.64	70.64	80.26
Gold (\$/oz.)	1961.94	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.