

Weekly Market Update



Market Data as of Week Ending: 8/4/2023 unless noted otherwise

U.S. stock indexes dropped as U.S. government debt was downgraded and bond yields surged. The S&P 500 is on track for the third consecutive quarter of declines, down more than 5%, with 84% of companies that have reported second-quarter results. Even though nearly 80% have a positive earnings surprise, the price reaction has been worse compared to prior periods. Value stocks rotated back into favor and outperformed their growth counterparts, and small companies outperformed their mid and large-sized peers. Most economic sector returns were in negative territory, with energy as the only exception, as oil prices ended the week higher. The utilities and information technology sectors were the worst-performing sectors, down more than 4%. Both developed foreign and emerging markets stocks underperformed relative to domestic stocks.

U.S. Treasury yields were volatile again as the credit rating agency Fitch lowered their rating on U.S. government debt from the highest rating of AAA to AA+ due to "governance and fiscal challenges." The yield on the 2-year note ended the week lower at 4.78%, while the 10-year Treasury yield finished the week at 4.05% after nearly reaching 4.2%. Short-duration government bonds was the best-performing segment, and long-duration government bonds was the worst-performing segment. Yields for investment-grade corporate bonds and high-yield bonds finished the week higher at 5.6% and 8.6%, respectively.

There were not as many economic data reports last week, but in aggregate, the data points toward a resilient economy. Both the S&P and ISM US Manufacturing PMI figures came in higher for the month of July compared to the prior month at 49 and 46.4, respectively. U.S. construction spending rose 0.5% for the sixth consecutive month. The job market remains tight as the unemployment rate came in lower at 3.5%, despite fewer job openings (9.58 million) and a lower-than-expected 187,000 new jobs in July. Average hourly earnings remain elevated with a 0.4% monthly increase in July and +4.4% compared to the same period last year. The Bank of England increased policy rates to a 15-year high of 5.25% and warned that rates were likely to remain elevated until inflation is reduced to 2%.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.57%	-2.23%	-2.82%	-1.87%	-2.45%	-2.96%	1.58%	0.91%	0.30%	6.78%	17.74%	29.41%
Mid	-1.58%	-1.94%	-2.81%	-2.08%	-2.43%	-3.28%	2.18%	1.44%	-0.35%	7.53%	10.58%	15.53%
Small	-0.62%	-1.19%	-1.79%	-1.56%	-2.26%	-2.99%	5.87%	3.72%	1.55%	8.52%	12.10%	15.31%

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	0.25%	0.14%	-2.58%	0.19%	0.07%	-2.86%	0.48%	0.18%	-4.95%	1.45%	1.29%	-1.41%
Corp	0.18%	-0.07%	-2.21%	0.04%	-0.24%	-2.55%	0.71%	0.35%	-2.68%	2.47%	2.70%	2.07%
HY	-0.21%	-0.36%	-0.39%	-0.39%	-0.56%	-0.84%	0.85%	0.82%	0.32%	5.88%	6.25%	5.49%

Index Returns

	Week	MTD	QTD	YTD
	Equities (Stocks)			
S&P 500	-2.26%	-2.40%	0.73%	17.75%
S&P MidCap 400	-1.28%	-1.70%	2.35%	11.40%
Russell 2000	-1.19%	-2.26%	3.72%	12.10%
MSCI EAFE	-2.38%	-2.51%	0.64%	12.38%
MSCI Emerging Markets	-2.37%	-2.72%	3.34%	8.39%
MSCI EAFE Small Cap	-1.61%	-1.86%	2.48%	8.15%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.07%	-0.03%	0.23%	1.73%
Bloomberg US Agg	-0.59%	-0.72%	-0.79%	1.29%
Bloomberg US High Yield	-0.36%	-0.57%	0.80%	6.22%
Other				
Bloomberg Commodity	-1.11%	-1.25%	4.93%	-3.24%
S&P Dev Property	-2.32%	-2.66%	1.19%	2.76%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.22%	-0.78%	1.65%	35.25%
Consumer Staples	-1.90%	-1.45%	0.67%	1.96%
Energy	1.20%	-0.82%	6.52%	0.64%
Financials	-0.77%	-1.21%	3.58%	3.03%
Health Care	-2.09%	-1.31%	-0.30%	-1.78%
Industrials	-1.77%	-2.00%	0.85%	11.12%
Info Technology	-4.14%	-4.26%	-1.70%	40.35%
Materials	-2.03%	-2.53%	0.80%	8.60%
Real Estate	-2.17%	-2.87%	-1.65%	2.08%
Communication Svcs	-2.83%	-2.80%	3.94%	41.62%
Utilities	-4.59%	-4.65%	-2.30%	-7.85%

Bond Yields

	8/4/23	7/31/23	6/30/23	12/31/22
3Mo Libor	5.63%	5.63%	5.55%	4.77%
SOFR 3Mo Swap	5.36%	5.36%	5.26%	4.59%
2Yr Treasury	4.78%	4.88%	4.87%	4.41%
10Yr Treasury	4.05%	3.97%	3.81%	3.88%
2-10 Slope	-0.73%	-0.91%	-1.06%	-0.53%

Commodities and Currency

	8/4/23	7/31/23	6/30/23	12/31/22
Oil (\$/barrel)	82.82	81.8	70.64	80.26
Gold (\$/oz.)	1942.91	1965.09	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.