

Weekly Market Update



Market Data as of Week Ending: 9/29/2023 unless noted otherwise

Stock prices were mixed as the recent rise in investor skepticism held, and the S&P 500 declined for the fourth consecutive week. The combination of higher interest rates, elevated oil prices, and the risk of a government shutdown weighed on sentiment. Growth stocks rotated back into favor and outperformed value for the week, while small companies outperformed their mid and large-sized peers. Rising interest rates led to a sharp sell-off in utilities, which were down nearly 7%. Nearly all major economic sectors were down for the week, with energy and materials as the only exceptions. Foreign developed stock prices declined and lagged their domestic peers. Emerging markets finished the week down with results that landed between domestic and foreign developed.

U.S. Treasury yields continued their trend higher as elevated oil prices are increasing the risk that the Fed will not be able to cut rates as soon as expected. The 10-year yield ended the week at 4.59% and the 2-year yield at 5.03%. Most of the increase was on the longer end of the curve, which reduced the inversion in the yield curve with the 2-10yr slope contracting to -0.44%. Nearly all segments of the bond market declined as short-duration government bonds were the only exception with a small gain. Higher long-term rates contributed to the underperformance of long-duration bonds. Yields increased for both U.S. Investment Grade Corporate and High Yield bonds to 6.04% and 8.98%, respectively.

Economic data was headlined by the monthly Personal Consumption Expenditures (PCE) figures that are the Fed's preferred measure of inflation. August Core PCE slowed to an increase of 0.1%, the lowest level since November 2020. Compared to the same period one year ago, Core PCE slowed to an increase of 3.9%. However, year-over-year headline PCE increased for the second consecutive month to 3.5% after reaching a cycle low of 3.2% in June. The final second quarter GDP numbers were not revised with an annualized rate of 2.1% and supported by a resilient consumer. The monthly personal income and outlays report revealed that both income and spending increased in lockstep at 0.4% in August. Consumer confidence appears to be waning as the University of Michigan Consumer Sentiment declined for the second consecutive month. Durable goods increased 0.2% in August, following a sharp decline of 5.6% in July. New home sales declined nearly 9% in August as the seasonal surge in home sales ends.

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

	Value	Week Core	Growth	Value	MTD Core	Growth	Value	QTD Core	Growth	Value	YTD Core	Growth
Large	-0.92%	-0.58%	-0.27%	-3.86%	-4.70%	-5.44%	-3.16%	-3.15%	-3.13%	1.79%	13.01%	24.98%
Mid	-0.38%	-0.07%	0.70%	-5.09%	-5.02%	-4.87%	-4.46%	-4.68%	-5.22%	0.54%	3.91%	9.88%
Small	0.52%	0.55%	0.59%	-5.21%	-5.89%	-6.60%	-2.96%	-5.13%	-7.32%	-0.53%	2.54%	5.24%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Short	Week Interim	Long	Short	MTD Interim	Long	Short	QTD Interim	Long	Short	YTD Interim	Long
Govt	0.07%	-0.12%	-2.79%	-0.37%	-0.94%	-7.27%	0.19%	-0.78%	-11.79%	1.16%	0.32%	-8.50%
Corp	-0.11%	-0.48%	-2.59%	-0.52%	-1.37%	-5.26%	0.25%	-0.96%	-7.23%	2.01%	1.35%	-2.71%
HY	-0.22%	-0.39%	-1.57%	-0.57%	-1.14%	-2.77%	1.19%	0.51%	-1.61%	6.25%	5.93%	3.46%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.71%	-4.77%	-3.27%	13.07%
S&P MidCap 400	0.33%	-5.26%	-4.20%	4.27%
Russell 2000	0.55%	-5.89%	-5.13%	2.54%
MSCI EAFE	-1.43%	-3.42%	-4.11%	7.08%
MSCI Emerging Markets	-1.14%	-2.62%	-2.93%	1.82%
MSCI EAFE Small Cap	-1.30%	-4.43%	-3.51%	1.82%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.24%	-1.08%	-0.83%	0.65%
Bloomberg US Agg	-0.96%	-2.54%	-3.23%	-1.21%
Bloomberg US High Yield	-0.42%	-1.18%	0.46%	5.86%
Other				
Bloomberg Commodity	-1.20%	-0.69%	4.71%	-3.44%
S&P Dev Property	-1.51%	-5.81%	-5.04%	-3.57%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.27%	-5.98%	-4.80%	26.67%
Consumer Staples	-1.97%	-4.53%	-5.97%	-4.76%
Energy	1.31%	2.63%	12.22%	6.03%
Financials	-1.55%	-3.14%	-1.13%	-1.65%
Health Care	-1.10%	-2.96%	-2.65%	-4.09%
Industrials	-0.44%	-5.96%	-5.16%	4.50%
Info Technology	-0.08%	-6.87%	-5.64%	34.72%
Materials	0.24%	-4.78%	-4.76%	2.61%
Real Estate	-1.41%	-7.25%	-8.90%	-5.45%
Communication Svcs	-0.02%	-3.26%	3.07%	40.43%
Utilities	-6.92%	-5.63%	-9.25%	-14.41%

Bond Yields

	9/29/23	8/31/23	6/30/23	12/31/22
3Mo Libor	5.66%	5.66%	5.55%	4.77%
SOFR 3Mo Swap	5.39%	5.40%	5.26%	4.59%
2Yr Treasury	5.03%	4.85%	4.87%	4.41%
10Yr Treasury	4.59%	4.09%	3.81%	3.88%
2-10 Slope	-0.44%	-0.76%	-1.06%	-0.53%

Commodities and Currency

	9/29/23	8/31/23	6/30/23	12/31/22
Oil (\$/barrel)	90.79	83.63	70.64	80.26
Gold (\$/oz.)	1848.63	1940.19	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.