

Weekly Market Update



Market Data as of Week Ending: 12/22/2023 unless noted otherwise

Equities climbed higher last week as investors contemplated the future path of monetary policy. All sizes and styles were higher, with small-cap stocks outperforming. Growth outperformed value in large and mid-cap stocks, and small-cap stocks were higher across all styles. Communication services was the best-performing sector in the S&P 500, boosted by gains in Alphabet and Meta. Energy outperformed as the price of oil crept higher due to conflict in the Red Sea. Utilities were the only sector lower for the week. Developed foreign equities were higher, with the MSCI EAFE gaining 0.84%, but emerging markets were lower as the MSCI EM was 0.79% lower.

Fixed income performance was mixed with long-government and long-corporates lower. Longer duration high-yield outperformed as spreads continue to contract. Interest rates rose higher to start the week but ended the week relatively unchanged from the prior week, with the 2YR at 4.31% and the 10YR at 3.90%. The yield curve became slightly less inverted with the 2-10 slope at -0.41%. Yields on U.S. Corporate and High Yield were marginally lower at 5.14% and 7.85%, respectively.

There were numerous economic releases last week, but no data challenged the soft-landing scenario. Most releases were in line with expectations and indicated that the economy remains healthy. The National Association of Realtors reported that existing home sales increased 0.8% in November but are 7.3% lower than in November 2022. The United Census Bureau reported that November building permits were 2.5% lower than October, housing starts increased 14.8%, and new home sales decreased 12.2% from October. The Conference Board reported that consumer confidence continues to increase as the Consumer Confidence Index increased in December to 110.7, up from 101.0 (revised) in November. The Conference Board also reported that the Leading Indicator Index continues to decline and was .5% lower in November, indicating slower economic activity in the near term. The U.S. Bureau of Economic Analysis revised down Q3 GDP to 4.9%, with increases reflecting growth in consumer spending and inventory investment. PCE readings reflected softening inflation as headline PCE and core PCE year-over-year were 2.6% and 3.2%, respectively. Personal income increased 0.4% in November. Philadelphia Fed reported that regional manufacturing activity was lower, with the diffusion index declining 10.5 in December, marking the 17th negative reading in 19 months. New orders for durable goods increased 5.4% in November, and shipments increased 1.0%.

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

	Value	Week Core	Growth	Value	MTD Core	Growth	Value	QTD Core	Growth	Value	YTD Core	Growth
Large	0.73%	0.84%	0.93%	4.94%	4.60%	4.32%	8.87%	11.61%	14.05%	10.83%	26.13%	42.53%
Mid	1.01%	1.08%	1.25%	7.40%	7.38%	7.34%	11.70%	12.46%	14.29%	12.31%	16.85%	25.59%
Small	2.47%	2.47%	2.48%	12.94%	12.53%	12.10%	15.76%	14.35%	12.87%	15.15%	17.25%	18.79%

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

	Short	Week Interm	Long	Short	MTD Interm	Long	Short	QTD Interm	Long	Short	YTD Interm	Long
Govt	0.26%	0.24%	-0.50%	1.31%	1.79%	7.64%	2.95%	3.67%	11.70%	4.14%	4.00%	2.20%
Corp	0.25%	0.21%	-0.89%	1.52%	2.33%	6.33%	3.75%	5.34%	12.92%	5.83%	6.76%	9.87%
HY	0.57%	0.67%	1.03%	2.68%	3.25%	6.21%	5.22%	6.62%	12.23%	11.80%	12.95%	16.12%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	0.77%	4.18%	11.31%	25.85%
S&P MidCap 400	1.54%	8.87%	11.83%	16.60%
Russell 2000	2.47%	12.53%	14.35%	17.25%
MSCI EAFE	0.84%	4.10%	9.15%	16.88%
MSCI Emerging Markets	-0.79%	0.65%	4.48%	6.39%
MSCI EAFE Small Cap	1.39%	5.80%	9.60%	11.60%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.23%	1.96%	4.19%	4.87%
Bloomberg US Agg	0.14%	3.33%	6.30%	5.02%
Bloomberg US High Yield	0.67%	3.32%	6.74%	13.00%
Other				
Bloomberg Commodity	0.56%	-2.09%	-4.04%	-7.35%
S&P Dev Property	0.15%	8.41%	14.34%	10.26%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	0.51%	6.56%	12.91%	43.02%
Consumer Staples	0.79%	1.54%	4.38%	-0.59%
Energy	1.66%	1.36%	-5.65%	0.04%
Financials	0.28%	4.59%	13.15%	11.28%
Health Care	1.09%	3.30%	5.39%	1.07%
Industrials	0.65%	6.23%	12.22%	17.27%
Info Technology	0.08%	3.55%	16.85%	57.42%
Materials	1.15%	4.63%	9.76%	12.62%
Real Estate	0.30%	7.80%	17.84%	11.42%
Communication Svcs	4.10%	5.23%	11.40%	56.43%
Utilities	-1.26%	0.70%	7.27%	-8.19%

Bond Yields

	12/22/23	11/30/23	9/30/23	12/31/22
3Mo Libor	5.61%	5.63%	5.66%	4.77%
SOFR 3Mo Swap	5.35%	5.37%	5.39%	4.59%
2Yr Treasury	4.31%	4.73%	5.03%	4.41%
10Yr Treasury	3.90%	4.37%	4.59%	3.88%
2-10 Slope	-0.41%	-0.36%	-0.44%	-0.53%

Commodities and Currency

	12/22/23	11/30/23	9/30/23	12/31/22
Oil (\$/barrel)	73.26	75.96	90.79	80.26
Gold (\$/oz.)	2053.08	2036.41	1848.63	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.