

# Weekly Market Update



Market Data as of Week Ending: 5/19/2023 unless noted otherwise

U.S. stock prices were able to move higher last week as investors showed optimism that a resolution on the debt ceiling will be met ahead of the House vote. The S&P 500 ended the week 1.71% higher and was able to breach the 4,200 level for the first time since late August. Fears of additional rate hikes grew as Fed Chair Jerome Powell stressed that inflation remained far too high and that officials were resolute about bringing it back to their target of 2%. The trend of outperformance for growth stocks, especially from several mega-cap technology-related companies, continued. Size was relatively mixed as large and small companies outperformed their mid-sized peers. Seven of the eleven sectors finished the week with gains, led by information technology and followed by communication services and consumer discretionary. Traditionally defensive sectors such as utilities, consumer staples, and health care all lagged. Energy rebounded slightly as oil prices rose last week on the news that the IEA rose its estimates for global oil demand due to increased China consumption. Developed foreign and emerging markets stocks were positive for the week, but both markets lagged domestic equities.

U.S. Treasury yields rose as stronger than consensus manufacturing data and optimism around the U.S. debt ceiling negotiations led to a risk-on sentiment. The 2-year and 10-year Treasury yields ended the week at 4.28% and 3.70%, respectively. All segments declined with short duration outperforming and government bonds lagging as many investors in the bond market are willing to accept more credit risk. Yields for investment grade corporate bonds and high yield bonds edged higher and ended the week at 5.4% and 8.9%, respectively.

Economic data for the week was mostly in-line with expectations but did have some prominent surprises. The New York Fed's Empire State business-conditions Index fell 42.6 points to a negative 31.8 in May as new orders and shipments were worse than expected. U.S. retail sales rebounded 0.4% in April due to stronger demand for new autos and higher online spending. U.S. industrial production rose 0.5% in April after two flat months, surpassing expectations as strength in autos pushed it higher. The home builders' confidence index rose 5 points to 50 in May, marking the fifth month in a row that sentiment has improved. The U.S. jobless claims fell sharply to 242,000, well below the 264,000 in the prior week. Eurozone industrial production fell 4.1% in March, signaling that Europe might be slipping into an industrial recession.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.82%	1.71%	2.52%	-1.95%	0.69%	3.19%	-0.47%	1.94%	4.21%	0.53%	9.55%	19.18%
Mid	0.54%	1.06%	1.94%	-2.01%	-0.87%	1.12%	-2.00%	-1.39%	-0.34%	-0.71%	2.61%	8.77%
Small	2.00%	1.93%	1.88%	-0.58%	0.38%	1.25%	-3.06%	-1.42%	0.07%	-3.70%	1.27%	6.15%

## 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	-0.72%	-1.01%	-2.97%	-0.46%	-0.78%	-4.33%	-0.04%	-0.25%	-3.83%	1.82%	2.00%	2.10%
Corp	-0.63%	-0.94%	-2.51%	-0.60%	-1.16%	-4.29%	0.09%	-0.39%	-3.58%	1.78%	2.10%	1.68%
HY	-0.18%	-0.40%	-1.16%	-0.61%	-0.80%	-2.22%	0.27%	0.20%	-1.61%	3.36%	3.77%	2.00%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.71%	0.67%	2.24%	9.91%
S&P MidCap 400	1.02%	-1.26%	-2.04%	1.69%
Russell 2000	1.93%	0.38%	-1.42%	1.27%
MSCI EAFE	0.36%	-0.16%	2.66%	11.35%
MSCI Emerging Markets	0.51%	0.16%	-0.97%	2.94%
MSCI EAFE Small Cap	-0.21%	-0.29%	1.72%	6.72%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.98%	-0.89%	-0.28%	2.04%
Bloomberg US Agg	-1.37%	-1.65%	-1.05%	1.88%
Bloomberg US High Yield	-0.42%	-0.85%	0.14%	3.71%
Other				
Bloomberg Commodity	-0.01%	-2.81%	-3.54%	-8.71%
S&P Dev Property	-1.68%	-3.12%	-1.24%	-0.54%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	2.64%	2.93%	1.96%	18.40%
Consumer Staples	-1.63%	-1.99%	1.54%	2.38%
Energy	1.44%	-6.50%	-3.41%	-7.93%
Financials	2.19%	-1.76%	1.37%	-4.27%
Health Care	-0.65%	-1.64%	1.39%	-2.98%
Industrials	1.30%	-0.23%	-1.41%	2.01%
Info Technology	4.25%	4.61%	5.09%	28.02%
Materials	0.67%	-2.38%	-2.51%	1.67%
Real Estate	-2.37%	-4.10%	-3.17%	-1.28%
Communication Svcs	3.06%	5.07%	9.04%	31.39%
Utilities	-4.27%	-4.19%	-2.40%	-5.57%

## Bond Yields

	5/19/23	4/30/23	3/31/23	12/31/22
3Mo Libor	5.39%	5.30%	5.19%	4.77%
SOFR 3Mo Swap	5.14%	5.07%	4.91%	4.59%
2Yr Treasury	4.28%	4.04%	4.06%	4.41%
10Yr Treasury	3.70%	3.44%	3.48%	3.88%
2-10 Slope	-0.58%	-0.60%	-0.58%	-0.53%

## Commodities and Currency

	5/19/23	4/30/23	3/31/23	12/31/22
Oil (\$/barrel)	71.55	76.78	75.67	80.26
Gold (\$/oz.)	1977.81	1990	1969.28	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.