

Weekly Market Update



Market Data as of Week Ending: 6/2/2023 unless noted otherwise

U.S. stock prices ended the holiday-shortened week higher as debt ceiling negotiations and strong jobs data sent the S&P 500 to its highest intraday level since mid-August 2022. In contrast with recent weeks, the rally was broad-based, with gains coming from both value and growth stocks. The size factor was once again a headwind as small companies outperformed their large and mid-sized peers. All eleven major economic sectors finished the week with gains, as cyclical sectors in consumer discretionary and real estate led the way. Traditionally defensive sectors, such as consumer staples, utilities, and health care, all lagged. Developed foreign and emerging markets stocks advanced, but both markets lagged domestic equities.

U.S. Treasury yields declined last week on the back of mixed economic data. After markets had priced in an additional rate hike in June, rhetoric from Fed officials and cooling manufacturing PMI shifted sentiment to pricing in a pause. The yield on the 2-year note ended the week at 4.50%, while the 10-year Treasury yield slipped to 3.69%. All segments advanced with high yield bonds generally outperforming corporate and government bonds as many investors in the bond market are willing to accept more credit risk. Yields for investment grade corporate bonds and high yield bonds moved lower and ended the week at 5.4% and 8.7%, respectively.

Economic data for the week was mixed but showed the U.S. labor market remains resilient despite rising borrowing costs. The U.S. consumer confidence index fell in May to a six-month low of 102.3 as Americans grow increasingly concerned about the economy. The ADP jobs report showed private sector payrolls rose by 278,000 in May, much higher than the 180,000 forecasted gain. U.S. labor productivity was revised higher for the first quarter, increasing to -2.1% from -2.7%, which marked the fifth straight negative quarter. The ISM manufacturing index fell to 46.9% in May from 47.1, marking the seventh negative month in a row as new orders continue to decline. The U.S. added a surprising 339,000 new jobs in May, underscoring the resilience of the economy and labor market. The unemployment rate rose to 3.7% from 3.4%, the highest level since last October, as there was a sharp increase in the number of people who said they were unemployed, along with more people entering the labor force. Hourly wages rose by 0.3% in May, slowing the annual rate to 4.3% from 4.4%. Headline inflation in the eurozone slowed to an annual 6.1% in May from 7.0% in April, but ECB policymakers continue to warn of future rate hikes.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.95%	2.02%	2.08%	2.69%	2.59%	2.50%	0.22%	4.34%	8.23%	1.22%	12.13%	23.78%
Mid	2.26%	2.29%	2.35%	3.41%	3.24%	2.97%	-1.17%	-0.17%	1.54%	0.14%	3.88%	10.82%
Small	3.59%	3.32%	3.08%	5.12%	4.66%	4.26%	0.48%	1.83%	3.06%	-0.18%	4.62%	9.32%

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	0.35%	0.48%	1.77%	-0.22%	-0.29%	-0.60%	-0.33%	-0.50%	-2.86%	1.52%	1.75%	3.12%
Corp	0.50%	0.73%	1.72%	-0.10%	-0.11%	-0.05%	0.19%	-0.10%	-2.10%	1.88%	2.40%	3.23%
HY	0.91%	1.14%	1.51%	0.69%	0.85%	0.96%	1.00%	0.97%	-0.28%	4.11%	4.57%	3.38%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.88%	2.48%	4.53%	12.37%
S&P MidCap 400	2.62%	4.12%	0.01%	3.82%
Russell 2000	3.32%	4.66%	1.83%	4.62%
MSCI EAFE	0.88%	2.76%	1.19%	9.76%
MSCI Emerging Markets	1.25%	2.72%	-0.15%	3.80%
MSCI EAFE Small Cap	1.73%	2.68%	0.37%	5.31%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.55%	-0.23%	-0.37%	1.96%
Bloomberg US Agg	0.96%	-0.28%	-0.77%	2.17%
Bloomberg US High Yield	1.15%	0.85%	0.92%	4.53%
Other				
Bloomberg Commodity	-0.15%	1.93%	-4.54%	-9.66%
S&P Dev Property	2.94%	2.44%	0.01%	0.72%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	3.39%	3.49%	5.81%	22.88%
Consumer Staples	0.38%	1.38%	-1.35%	-0.54%
Energy	1.37%	4.23%	-3.14%	-7.66%
Financials	2.20%	3.35%	2.03%	-3.64%
Health Care	2.19%	2.02%	0.64%	-3.69%
Industrials	2.66%	4.29%	-0.20%	3.26%
Info Technology	1.39%	1.85%	12.00%	36.44%
Materials	3.10%	4.74%	-2.57%	1.61%
Real Estate	3.10%	2.13%	-1.53%	0.39%
Communication Svcs	1.12%	1.25%	11.59%	34.47%
Utilities	0.85%	0.28%	-3.84%	-6.96%

Bond Yields

	6/2/23	5/31/23	3/31/23	12/31/22
3Mo Libor	5.50%	5.52%	5.19%	4.77%
SOFR 3Mo Swap	5.24%	5.24%	4.91%	4.59%
2Yr Treasury	4.50%	4.40%	4.06%	4.41%
10Yr Treasury	3.69%	3.64%	3.48%	3.88%
2-10 Slope	-0.81%	-0.76%	-0.58%	-0.53%

Commodities and Currency

	6/2/23	5/31/23	3/31/23	12/31/22
Oil (\$/barrel)	71.74	68.09	75.67	80.26
Gold (\$/oz.)	1947.97	1962.73	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.