

Weekly Market Update



Market Data as of Week Ending: 7/28/2023 unless noted otherwise

U.S. stock indexes advanced as the Fed increased policy rates, and economic data continues to surprise the upside. More than half of the S&P 500 companies have reported second-quarter results. Among those that have already reported, 80% have a positive earnings surprise. Both the size and style factors were mixed as large growth stocks rotated back into favor and were the best-performing segment. However, small-cap value stocks were up nearly as much and were the second-best performing segment across size and style segments. Despite broad-based gains across major stock indexes, economic sector returns were mixed, with notable gains in the communication services, materials, and energy sectors. Defensive sectors such as utilities, real estate, and health care lagged and declined for the week. Both developed foreign and emerging markets stocks delivered gains with mixed results, as only emerging markets outperformed domestic stocks.

U.S. Treasury yields advanced as the Fed increased policy rates by 0.25%, and economic data came in better than expected. The yield on the 2-year note ended the week higher at 4.87%, while the 10-year Treasury yield finished the week at 3.96% after briefly exceeding 4%. Short-duration high-yield corporate was the best-performing segment, and long-duration government bonds lagged. Yields for investment-grade corporate bonds and high-yield bonds finished the week at 5.5% and 8.5%, respectively.

Economic data is typically overshadowed by Fed policy meetings. However, the unanimous decision by the Fed to increase policy rates to 5.50% was widely anticipated, and investors were more focused on several economic reports, headlined by the advanced estimate of second-quarter GDP. Economic growth, as measured by GDP, was better than expected at a 2.4% annualized rate. From a consumer perspective, spending on goods slowed sharply; however, consistent with survey data, spending on services remained strong. New orders for durable goods increased by nearly 5% in June 2023, the most since July 2020. After an upwardly revised increase in May of 2%, this was the fourth straight month of higher durable goods orders. The other big release was PCE inflation figures for June, which finally showed monthly core PCE of less than 0.3% for the first time this year. On a year-over-year basis, headline PCE inflation dropped to 3.0%, and core PCE inflation decelerated to 4.1%. The ECB increased policy rates to 3.75%, which matches the highest level since the launch of the Euro in 1999.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.27%	0.99%	1.65%	3.20%	3.21%	3.22%	3.20%	3.21%	3.22%	8.49%	20.43%	33.17%
Mid	0.22%	0.15%	-0.01%	3.82%	3.45%	2.53%	3.82%	3.45%	2.53%	9.25%	12.77%	18.87%
Small	1.64%	1.09%	0.53%	6.53%	4.97%	3.40%	6.53%	4.97%	3.40%	9.19%	13.45%	17.41%

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	-0.14%	-0.29%	-1.76%	0.23%	0.03%	-2.44%	0.23%	0.03%	-2.44%	1.19%	1.14%	1.19%
Corp	0.08%	-0.02%	-0.64%	0.53%	0.43%	-0.48%	0.53%	0.43%	-0.48%	2.28%	2.77%	4.37%
HY	0.12%	0.08%	0.02%	1.06%	1.18%	0.71%	1.06%	1.18%	0.71%	6.11%	6.64%	5.91%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.03%	3.06%	3.06%	20.47%
S&P MidCap 400	0.43%	3.68%	3.68%	12.85%
Russell 2000	1.09%	4.97%	4.97%	13.45%
MSCI EAFE	0.92%	3.09%	3.09%	15.12%
MSCI Emerging Markets	2.85%	5.84%	5.84%	11.02%
MSCI EAFE Small Cap	0.86%	4.16%	4.16%	9.92%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.20%	0.16%	0.16%	1.66%
Bloomberg US Agg	-0.40%	-0.20%	-0.20%	1.89%
Bloomberg US High Yield	0.08%	1.17%	1.17%	6.61%
Other				
Bloomberg Commodity	1.07%	6.10%	6.10%	-2.16%
S&P Dev Property	-0.91%	3.59%	3.59%	5.20%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	1.24%	1.88%	1.88%	35.56%
Consumer Staples	0.72%	2.61%	2.61%	3.93%
Energy	1.72%	5.26%	5.26%	-0.55%
Financials	-0.20%	4.38%	4.38%	3.83%
Health Care	-0.80%	1.83%	1.83%	0.32%
Industrials	0.57%	2.67%	2.67%	13.12%
Info Technology	1.28%	2.55%	2.55%	46.41%
Materials	1.83%	2.88%	2.88%	10.84%
Real Estate	-1.80%	0.53%	0.53%	4.34%
Communication Svcs	6.85%	6.98%	6.98%	45.75%
Utilities	-2.08%	2.41%	2.41%	-3.42%

Bond Yields

	7/28/23	6/30/23	6/30/23	12/31/22
3Mo Libor	5.63%	5.55%	5.55%	4.77%
SOFR 3Mo Swap	5.36%	5.26%	5.26%	4.59%
2Yr Treasury	4.87%	4.87%	4.87%	4.41%
10Yr Treasury	3.96%	3.81%	3.81%	3.88%
2-10 Slope	-0.91%	-1.06%	-1.06%	-0.53%

Commodities and Currency

	7/28/23	6/30/23	6/30/23	12/31/22
Oil (\$/barrel)	80.42	70.64	70.64	80.26
Gold (\$/oz.)	1959.49	1919.35	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.