

Weekly Market Update



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

Major U.S. stock indexes declined lower in the first week of a new quarter as economic data continues to support additional policy rate hikes. Minutes from the June Fed meeting were released on Monday and revealed that several voting members would have agreed to a policy rate hike in June based on better-than-expected economic activity. Value stocks outperformed their growth counterparts, but size was not a relevant factor as there was no clear pattern. Ten of the eleven major economic sectors closed the week down, with real estate being the only sector with a small gain. There was no clear pattern across defensive or cyclical, as health care and materials were the two worst performing sectors. Both developed foreign and emerging markets stocks declined with mixed results relative to domestic equities.

U.S. Treasury yields continued to drift higher as the bond market is no longer expecting the Fed to pivot and cut rates until May of next year. The yield on the 2-year note ended the week at 4.94%, while the 10-year Treasury yield finished at 4.06%. All segments finished the week lower across the curve as high yield corporate bonds fared the best while long term government bonds underperformed. Yields for investment grade corporate bonds and high yield bonds were mixed as they ended the week at 5.7% and 8.8%, respectively.

Despite it being a holiday-shortened week, it was a busy week for economic data, including minutes from the Fed and hawkish commentary that supports additional policy rate increases. Survey data from ISM and S&P Global showed a consistent theme of strength in the services sector more than offsetting weakness in manufacturing. The Composite PMI (includes both services and manufacturing) from S&P Global came in lower than expected but still points toward robust growth at 53.2. The ADP employment report came in much higher than expected, with nearly 500,000 jobs created in June, the most since February 2022. The official government jobs report was more modest and lower than expected, with 209,000 new jobs in June, but the unemployment rate fell to 3.6%, down from 3.7% in May. Average hourly earnings were better than expected and remained robust at 4.4%. Global central bankers in Europe are also hawkish, as ECB President Christine Lagarde noted that policymakers still have work to do to reduce inflation.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.06%	-1.08%	-1.10%	-1.06%	-1.08%	-1.10%	-1.06%	-1.08%	-1.10%	4.01%	15.42%	27.60%
Mid	-0.27%	-0.61%	-1.43%	-0.27%	-0.61%	-1.43%	-0.27%	-0.61%	-1.43%	4.94%	8.34%	14.28%
Small	-0.71%	-1.26%	-1.81%	-0.71%	-1.26%	-1.81%	-0.71%	-1.26%	-1.81%	1.78%	6.73%	11.50%

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	-0.32%	-0.66%	-3.27%	-0.32%	-0.66%	-3.27%	-0.32%	-0.66%	-3.27%	0.64%	0.44%	0.33%
Corp	-0.34%	-0.80%	-2.63%	-0.34%	-0.80%	-2.63%	-0.34%	-0.80%	-2.63%	1.40%	1.52%	2.12%
HY	-0.42%	-0.60%	-0.74%	-0.42%	-0.60%	-0.74%	-0.42%	-0.60%	-0.74%	4.55%	4.76%	4.38%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.11%	-1.11%	-1.11%	15.59%
S&P MidCap 400	-0.71%	-0.71%	-0.71%	8.07%
Russell 2000	-1.26%	-1.26%	-1.26%	6.73%
MSCI EAFE	-2.04%	-2.04%	-2.04%	9.39%
MSCI Emerging Markets	-0.63%	-0.63%	-0.63%	4.22%
MSCI EAFE Small Cap	-0.45%	-0.45%	-0.45%	5.05%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.70%	-0.70%	-0.70%	0.79%
Bloomberg US Agg	-1.29%	-1.29%	-1.29%	0.77%
Bloomberg US High Yield	-0.60%	-0.60%	-0.60%	4.74%
Other				
Bloomberg Commodity	0.53%	0.53%	0.53%	-7.30%
S&P Dev Property	0.09%	0.09%	0.09%	1.65%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.32%	-0.32%	-0.32%	32.63%
Consumer Staples	-1.06%	-1.06%	-1.06%	0.20%
Energy	-0.67%	-0.67%	-0.67%	-6.15%
Financials	-0.38%	-0.38%	-0.38%	-0.90%
Health Care	-2.85%	-2.85%	-2.85%	-4.29%
Industrials	-1.03%	-1.03%	-1.03%	9.05%
Info Technology	-1.44%	-1.44%	-1.44%	40.72%
Materials	-2.01%	-2.01%	-2.01%	5.58%
Real Estate	0.22%	0.22%	0.22%	4.02%
Communication Svcs	-0.13%	-0.13%	-0.13%	36.06%
Utilities	-0.13%	-0.13%	-0.13%	-5.81%

Bond Yields

	7/7/23	6/30/23	6/30/23	12/31/22
3Mo Libor	5.56%	5.55%	5.55%	4.77%
SOFR 3Mo Swap	5.30%	5.26%	5.26%	4.59%
2Yr Treasury	4.94%	4.87%	4.87%	4.41%
10Yr Treasury	4.06%	3.81%	3.81%	3.88%
2-10 Slope	-0.88%	-1.06%	-1.06%	-0.53%

Commodities and Currency

	7/7/23	6/30/23	6/30/23	12/31/22
Oil (\$/barrel)	73.86	70.64	70.64	80.26
Gold (\$/oz.)	1925.05	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.