

Weekly Market Update



Market Data as of Week Ending: 8/11/2023 unless noted otherwise

U.S. stock indexes ended the volatile week lower despite promising inflation data as investors sifted through mixed Fed-speak and credit rating downgrades for several U.S. banks. Value stocks continued their rotation back into favor and outperformed their growth counterparts, and large companies outperformed their mid and small-sized peers. Most economic sectors recorded positive returns, led by energy and health care, as energy benefited from the continued rise in oil prices and health care was lifted by continued evidence of the efficacy of diabetes drugs in treating obesity. Meanwhile, negative returns from the larger information technology and consumer discretionary sectors weighed on the broader market on concerns that rising rates will negatively impact profits. Both developed foreign and emerging markets stocks underperformed relative to domestic stocks.

U.S. Treasury yields rose as the producer price index rose at a greater clip than consensus expectations. The yields on the 2-year and 10-year U.S. Treasury rose by 10bps and 11bps, ending the week at 4.89% and 4.16%, respectively. Short-duration high-yield bonds were the best-performing segment, while long-duration government bonds were the worst-performing segment once again. Yields for investment-grade corporate bonds and high-yield bonds finished the week higher at 5.7% and 8.6%, respectively.

Inflation reports dominated what was a fairly light, and mixed, economic data release week. Consumer credit rose to \$17.8 billion in June, up from a \$9.5B increase in May, as nonrevolving credit, such as auto and student loans, made up all of the gain. The NFIB small-business index rose to 91.9 in July from 91.0 in June, as small-business owners grow more optimistic as inflation continues to show signs of easing. U.S. core CPI rose 0.2% in July as the cost of shelter increased, bringing the year-over-year headline and core inflation rate to 3.2% and 4.7%, respectively. The U.S. producer price index rose 0.3% in July, the largest increase since January, led by a rise in cost of services. The University of Michigan's preliminary consumer sentiment reading of 71.2 for August reflected a slight dip after hitting a 22-month high last month. China's exports fell by 14.5% in July, marking the biggest decline since February 2020, while imports fell by 12.5% as the country continues to face economic woes.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.33%	-0.39%	-1.04%	-1.55%	-2.82%	-3.97%	1.91%	0.52%	-0.74%	7.13%	17.28%	28.07%
Mid	-0.49%	-0.65%	-1.04%	-2.56%	-3.06%	-4.29%	1.69%	0.79%	-1.39%	7.01%	9.87%	14.33%
Small	-1.04%	-1.62%	-2.23%	-2.58%	-3.84%	-5.16%	4.77%	2.04%	-0.72%	7.39%	10.29%	12.73%

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	-0.27%	-0.44%	-1.11%	-0.08%	-0.37%	-3.94%	0.21%	-0.26%	-6.01%	1.18%	0.84%	-2.51%
Corp	-0.32%	-0.49%	-1.03%	-0.29%	-0.73%	-3.55%	0.38%	-0.14%	-3.68%	2.14%	2.19%	1.02%
HY	0.37%	0.32%	0.26%	-0.02%	-0.24%	-0.58%	1.22%	1.14%	0.58%	6.28%	6.59%	5.77%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.27%	-2.67%	0.46%	17.43%
S&P MidCap 400	-0.75%	-2.44%	1.58%	10.57%
Russell 2000	-1.62%	-3.84%	2.04%	10.29%
MSCI EAFE	-0.56%	-3.06%	0.07%	11.75%
MSCI Emerging Markets	-1.94%	-4.60%	1.34%	6.29%
MSCI EAFE Small Cap	-0.79%	-2.64%	1.68%	7.30%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.45%	-0.48%	-0.22%	1.28%
Bloomberg US Agg	-0.64%	-1.35%	-1.42%	0.64%
Bloomberg US High Yield	0.32%	-0.25%	1.13%	6.56%
Other				
Bloomberg Commodity	-0.22%	-1.47%	4.69%	-3.46%
S&P Dev Property	0.04%	-2.62%	1.23%	2.80%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.96%	-1.73%	0.67%	33.95%
Consumer Staples	0.34%	-1.11%	1.01%	2.30%
Energy	3.56%	2.72%	10.32%	4.23%
Financials	0.03%	-1.19%	3.61%	3.06%
Health Care	2.46%	1.12%	2.15%	0.63%
Industrials	0.62%	-1.39%	1.47%	11.80%
Info Technology	-2.82%	-6.96%	-4.47%	36.39%
Materials	-0.98%	-3.48%	-0.19%	7.53%
Real Estate	0.84%	-2.05%	-0.82%	2.94%
Communication Svcs	0.32%	-2.49%	4.28%	42.08%
Utilities	0.96%	-3.73%	-1.35%	-6.96%

Bond Yields

	8/11/23	7/31/23	6/30/23	12/31/22
3Mo Libor	5.63%	5.63%	5.55%	4.77%
SOFR 3Mo Swap	5.37%	5.36%	5.26%	4.59%
2Yr Treasury	4.89%	4.88%	4.87%	4.41%
10Yr Treasury	4.16%	3.97%	3.81%	3.88%
2-10 Slope	-0.73%	-0.91%	-1.06%	-0.53%

Commodities and Currency

	8/11/23	7/31/23	6/30/23	12/31/22
Oil (\$/barrel)	83.19	81.8	70.64	80.26
Gold (\$/oz.)	1913.76	1965.09	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.