



Weekly Market Update

Market Data as of Week Ending: 10/7/2022 unless noted otherwise

U.S. stock prices started off the new month and quarter on a positive, but volatile, foot. The markets experienced a broad rally early in the week off renewed hopes of a sooner-than-expected Fed softening, before attempting to give it all back on the heels of the September employment report. Continuing its trend, mid and small-cap companies generally outperformed their large-sized peers, while the valuation factor had mixed results depending on size. The energy sector outpaced the other ten sectors by a wide margin as oil prices surged off the news of OPEC+ agreeing to cut production by 2 million barrels per day. Real estate, utilities and the consumer centric sectors underperformed, posting negative returns for the week. Developed foreign and emerging stock prices moved higher, outperforming the U.S.

U.S. Treasury yields rose yet again in what was another volatile week in the bond market. The 10-year U.S. Treasury ended the week at 3.88%, while the 2-year yield increased by 0.03% to 4.31% as slowing U.S. manufacturing data renewed growth concerns. Longer duration bonds experienced a mixed week depending on quality. High yield corporate bonds were the best performing asset class, recording a gain across all durations as its yield declined from 9.7% to 9.3%. Yields on investment grade corporate bonds remained flat, finishing the week at 5.7%.

It was a mixed week for economic data releases as Friday's employment report remained at the forefront of many investors' minds. The ISM manufacturing index fell to 50.9% in September, its lowest level since the spring of 2020 as new orders have declined and manufacturers aren't hiring as many workers. U.S. job openings fell sharply in August to a 13-month low of 10.1 million, marking the fourth decline in five months, signaling the red-hot labor market may be beginning to cool. U.S. factory orders were flat in August, which was in line with expectations. The ISM services index slid to 56.7% in September, in line with estimates, as continued hiring offset slowing sales. The U.S. added 236,000 jobs in September, the smallest month-over-month increase since April 2021, but still strong historically and potentially stronger than the Fed would like. The unemployment rate dropped to 3.5% from 3.7%, marking one of the lowest rates since the late 1960s. The new U.K. government announced plans to implement tax cuts and spending increases funded by increased borrowing.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	2.20%	1.69%	1.20%	2.20%	1.69%	1.20%	2.20%	1.69%	1.20%	-15.94%	-23.31%	-29.83%
Mid	2.33%	2.51%	2.83%	2.33%	2.51%	2.83%	2.33%	2.51%	2.83%	-18.50%	-22.37%	-29.51%
Small	2.22%	2.27%	2.32%	2.22%	2.27%	2.32%	2.22%	2.27%	2.32%	-19.37%	-23.40%	-27.64%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg)

	Week			MTD			QTD			YTD		
	Short	Intern	Long	Short	Intern	Long	Short	Intern	Long	Short	Intern	Long
Govt	-0.16%	-0.26%	-1.18%	-0.16%	-0.26%	-1.18%	-0.16%	-0.26%	-1.18%	-6.49%	-8.89%	-29.61%
Corp	-0.02%	0.04%	0.38%	-0.02%	0.04%	0.38%	-0.02%	0.04%	0.38%	-7.45%	-11.78%	-29.17%
HY	1.13%	1.44%	1.00%	1.13%	1.44%	1.00%	1.13%	1.44%	1.00%	-8.19%	-12.87%	-24.77%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.56%	1.56%	1.56%	-22.68%
S&P MidCap 400	2.91%	2.91%	2.91%	-19.24%
Russell 2000	2.27%	2.27%	2.27%	-23.40%
MSCI EAFE	1.94%	1.94%	1.94%	-25.68%
MSCI Emerging Markets	2.52%	2.52%	2.52%	-25.32%
MSCI EAFE Small Cap	1.56%	1.56%	1.56%	-31.05%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.17%	-0.17%	-0.17%	-9.78%
Bloomberg US Agg	-0.25%	-0.25%	-0.25%	-14.83%
Bloomberg US High Yield	1.42%	1.42%	1.42%	-13.53%
Other				
Bloomberg Commodity	5.13%	5.13%	5.13%	19.40%
S&P Dev Property	-1.84%	-1.84%	-1.84%	-30.77%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-1.11%	-1.11%	-1.11%	-30.67%
Consumer Staples	-0.36%	-0.36%	-0.36%	-12.15%
Energy	13.86%	13.86%	13.86%	53.64%
Financials	1.94%	1.94%	1.94%	-19.72%
Health Care	1.33%	1.33%	1.33%	-11.93%
Industrials	2.87%	2.87%	2.87%	-18.44%
Info Technology	1.67%	1.67%	1.67%	-30.30%
Materials	2.15%	2.15%	2.15%	-22.10%
Real Estate	-4.24%	-4.24%	-4.24%	-31.57%
Communication Svcs	1.70%	1.70%	1.70%	-38.00%
Utilities	-2.63%	-2.63%	-2.63%	-8.97%

Bond Yields

	10/7/22	9/30/22	9/30/22	12/31/21
3Mo Libor	3.91%	3.75%	3.75%	0.21%
SOFR 3Mo Swap	3.77%	3.60%	3.60%	0.09%
2Yr Treasury	4.31%	4.28%	4.28%	0.73%
10Yr Treasury	3.88%	3.83%	3.83%	1.51%
2-10 Slope	-0.43%	-0.45%	-0.45%	0.78%

Commodities and Currency

	10/7/22	9/30/22	9/30/22	12/31/21
Oil (\$/barrel)	92.64	79.49	79.49	76.99
Gold (\$/oz.)	1694.82	1660.61	1660.61	1829.2

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.