

# Weekly Market Update



Market Data as of Week Ending: 12/24/2021 unless noted otherwise

U.S. stock prices advanced in the holiday shortened trading week as sentiment improved around the economic and health impacts of the omicron variant. Investors will soon turn their attention toward quarterly earnings to see if the recent surge in coronavirus cases detracted from growth. Analysts are expecting fourth quarter earnings to grow more than 20% for the S&P 500. As we dig deeper into performance for the past week, growth stocks outperformed their value counterparts and small companies generally outperformed large and mid-sized peers. All eleven of the major economic sectors delivered gains for the week but outperformance was concentrated in the consumer discretionary, information technology, and communication services sectors. In a reversal from last week, traditionally defensive sectors such as real estate, utilities, and consumer staples lagged. Developed foreign and Emerging Market stocks ended the week in positive territory, but underperformed U.S. stocks.

U.S. Treasury yields advanced across the curve as the 10-year ended the week at 1.49%. Higher quality bonds suffered the most as investors embraced risk assets. Long duration government bonds were the worst performing segment and intermediate high yield corporate bonds were the best performing segment. Divergent paths meant that investment grade corporate bond yields advanced and ended the week at nearly 2.4%, whereas yields for lower quality corporate bonds decreased and ended the week at approximately 4.9%.

Economic data released during the week were generally better than expected and largely overshadowed by news around the omicron variant and Senator Joe Manchin's announcement that he would not vote in favor of the \$2 trillion Build Back Better Act. Initial jobless claims were unchanged and ended the week at 205,000 which remains near a more than fifty year low. The Conference Board announced that its consumer confidence index rose to 115.8 in December from 111.9 in November, despite higher inflation and rising coronavirus cases. Durable goods orders came in higher than expected and rose 2.5% in November, which was the best monthly figure since May. In Europe, the European Union outlined its plans for implementing a global minimum tax rate of at least 15% on corporate profits in 2023.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	1.56%	2.36%	3.08%	4.83%	3.25%	1.90%	6.28%	8.94%	11.40%	23.42%	25.49%	27.33%
Mid	1.90%	2.33%	3.11%	4.35%	2.81%	0.19%	6.56%	5.14%	2.69%	26.01%	21.09%	12.55%
Small	2.89%	3.12%	3.35%	3.29%	2.02%	0.78%	3.57%	1.93%	0.35%	27.30%	14.58%	3.18%

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

	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	-0.13%	-0.24%	-1.53%	-0.27%	-0.28%	-1.78%	-0.78%	-0.60%	2.67%	-1.22%	-1.72%	-4.92%
Corp	-0.04%	-0.15%	-0.77%	-0.06%	-0.01%	-1.00%	-0.80%	-0.71%	0.88%	-0.59%	-1.15%	-1.70%
HY	0.40%	0.51%	0.42%	1.14%	1.63%	1.93%	0.46%	0.44%	1.15%	5.86%	4.78%	8.60%

## Index Returns

	Week	MTD	QTD	YTD
<b>Equities (Stocks)</b>				
S&P 500	2.30%	3.58%	10.07%	27.59%
S&P MidCap 400	2.49%	3.33%	6.20%	22.69%
Russell 2000	3.12%	2.02%	1.93%	14.58%
MSCI EAFE	1.64%	4.19%	1.78%	10.28%
MSCI Emerging Markets	0.39%	0.83%	-2.32%	-3.54%
MSCI EAFE Small Cap	1.78%	2.71%	-1.52%	8.35%
<b>Fixed Income (Bonds)</b>				
Bloomberg Int Gov/Credit	-0.21%	-0.19%	-0.64%	-1.50%
Bloomberg US Agg	-0.37%	-0.41%	-0.14%	-1.70%
Bloomberg US High Yield	0.51%	1.65%	0.49%	5.05%
<b>Other</b>				
Bloomberg Commodity	2.57%	3.24%	-1.83%	26.76%
S&P Dev Property	0.77%	3.67%	7.01%	23.35%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	3.82%	-0.66%	12.37%	23.92%
Consumer Staples	0.80%	7.59%	10.54%	15.73%
Energy	2.37%	1.98%	6.82%	52.99%
Financials	1.11%	2.71%	3.94%	34.23%
Health Care	1.38%	7.75%	9.92%	24.71%
Industrials	1.78%	3.47%	6.72%	18.97%
Info Technology	3.29%	2.90%	16.14%	33.90%
Materials	1.24%	4.79%	12.23%	24.00%
Real Estate	0.44%	6.05%	13.39%	40.05%
Communication Svcs	2.55%	3.35%	0.78%	22.54%
Utilities	0.31%	6.80%	10.00%	14.62%

## Bond Yields

	12/24/21	11/30/21	9/30/21	12/31/20
3Mo Libor	0.22%	0.17%	0.13%	0.24%
SOFR 3Mo Swap	0.08%	0.06%	0.06%	0.06%
2Yr Treasury	0.69%	0.57%	0.28%	0.12%
10Yr Treasury	1.49%	1.45%	1.49%	0.92%
2-10 Slope	0.80%	0.88%	1.21%	0.79%

## Commodities and Currency

	12/24/21	11/30/21	9/30/21	12/31/20
Oil (\$/barrel)	73.74	66.18	75.03	48.52
Gold (\$/oz.)	1810.26	1774.52	1756.95	1898.36

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