



# Weekly Market Update

Market Data as of Week Ending: 7/8/2022 unless noted otherwise

U.S. stock prices advanced as signs start to emerge that the economy may be able to withstand an imminent recession. Investors will soon focus on quarterly financial results, but this week's sentiment was more focused on the Fed. Minutes from the June meeting were released and recent comments from Fed voting members were optimistic about reducing inflation without forcing the economy into a recession. Growth stocks rotated back into favor and outperformed their value counterparts while small-sized companies generally outperformed their mid and large company peers. Consumer discretionary, information technology, and communication services sectors outperformed with solid gains. However, nearly half the major economic sectors recorded losses for the week led by declines in the energy, utilities, and materials sectors. Developed foreign and emerging market stock prices also recorded gains for the week, but underperformed relative to the U.S.

U.S. Treasury yields rose after three consecutive weeks of declines. The 10-year U.S. Treasury rose to 3.08% and the 2-year yield was slightly higher at 3.11%. Rising yields are generally viewed as positive for the economy; however, when short-term yields are higher than longer-term yields, it's typically associated with slower growth and higher recession risks. High yield corporate bonds outperformed and were the only major bond segment to record gains for the week. Higher quality and longer duration bonds lagged as investors were willing to accept more credit risk. Yields on investment grade corporate bonds narrowly rose while high yield corporate bonds declined, finishing the week at 4.7% and 8.6%, respectively.

Given the lack of volume from an economic data perspective, investors were focused on the two monthly job reports from the Labor Department and comments from the Federal Reserve. Job openings declined from 11.7 million to 11.3 million and there were 372,000 jobs added in the month of June. The unemployment level remains steady at 3.6% and nearly all the jobs lost from the pandemic have been recovered. Investors expect the Fed to announce another rate hike of 0.75% at their meeting later this month as Fed policy makers have foreshadowed their views through public comments. In Europe, Boris Johnson announced his intention to resign amidst a series of scandals. Meanwhile, in Asia the assassination of Shinzo Abe, Japan's former prime minister, shocked the world.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.35%	2.04%	3.74%	1.63%	3.21%	4.78%	1.63%	3.21%	4.78%	-11.43%	-18.41%	-24.63%
Mid	0.41%	1.44%	3.35%	1.85%	2.88%	4.82%	1.85%	2.88%	4.82%	-14.68%	-19.31%	-27.68%
Small	0.99%	2.43%	3.86%	2.50%	3.62%	4.72%	2.50%	3.62%	4.72%	-15.24%	-20.66%	-26.12%

## 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	-0.59%	-0.80%	-2.23%	-0.22%	-0.30%	-1.61%	-0.22%	-0.30%	-1.61%	-4.40%	-6.05%	-22.47%
Corp	-0.27%	-0.42%	-0.62%	0.12%	0.11%	-0.02%	0.12%	0.11%	-0.02%	-5.49%	-8.88%	-22.76%
HY	0.96%	1.32%	1.53%	1.08%	1.51%	1.74%	1.08%	1.51%	1.74%	-8.66%	-12.28%	-22.89%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	1.98%	3.05%	3.05%	-17.52%
S&P MidCap 400	1.09%	2.29%	2.29%	-17.69%
Russell 2000	2.43%	3.62%	3.62%	-20.66%
MSCI EAFE	0.97%	0.21%	0.21%	-19.40%
MSCI Emerging Markets	0.94%	0.16%	0.16%	-17.50%
MSCI EAFE Small Cap	1.60%	0.84%	0.84%	-24.07%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.68%	-0.17%	-0.17%	-6.93%
Bloomberg US Agg	-0.87%	-0.27%	-0.27%	-10.59%
Bloomberg US High Yield	1.33%	1.52%	1.52%	-12.89%
Other				
Bloomberg Commodity	-1.00%	-0.93%	-0.93%	17.34%
S&P Dev Property	-0.15%	0.70%	0.70%	-19.83%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	4.56%	6.62%	6.62%	-28.38%
Consumer Staples	-0.44%	0.98%	0.98%	-4.65%
Energy	-2.39%	-0.98%	-0.98%	30.55%
Financials	0.61%	2.06%	2.06%	-17.05%
Health Care	0.80%	2.03%	2.03%	-6.48%
Industrials	-0.21%	0.69%	0.69%	-16.22%
Info Technology	4.35%	4.61%	4.61%	-23.54%
Materials	-1.48%	-0.82%	-0.82%	-18.56%
Real Estate	-0.98%	0.83%	0.83%	-18.95%
Communication Svcs	5.13%	5.83%	5.83%	-26.09%
Utilities	-2.83%	-0.40%	-0.40%	-0.95%

## Bond Yields

	7/8/22	6/30/22	6/30/21	12/31/21
3Mo Libor	2.42%	2.29%	2.29%	0.21%
SOFR 3Mo Swap	2.27%	2.10%	2.10%	0.09%
2Yr Treasury	3.11%	2.96%	2.96%	0.73%
10Yr Treasury	3.08%	3.02%	3.02%	1.51%
2-10 Slope	-0.03%	0.06%	0.06%	0.78%

## Commodities and Currency

	7/8/22	6/30/22	6/30/21	12/31/21
Oil (\$/barrel)	104.79	105.76	105.76	76.99
Gold (\$/oz.)	1742.48	1807.27	1807.27	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.