



# Weekly Market Update

Market Data as of Week Ending: 8/12/2022 unless noted otherwise

U.S. stock prices moved higher for the fourth straight week, the longest string of weekly gains since November 2021, as investors welcomed the idea that consumer prices may have peaked. In a reversal from previous weeks, value stocks outperformed their growth counterparts while small and mid-sized companies continued their outperformance versus their large company peers. All eleven of the major economic sectors advanced for the week, led by energy, financials, and materials. Traditionally, defensive sectors such as consumer staples and health care lagged. Developed foreign and emerging stock prices moved higher but lagged the U.S. for the week.

U.S. Treasury yields ended the week relatively unchanged with the 10-year U.S. Treasury remaining at 2.83% as it appears the treasury market remains skeptical of a softening to monetary policy. Lower quality bonds outperformed for the fourth week in a row and were led by outperformance from long duration high yield bonds. Government and corporate bonds generally advanced across the duration spectrum, while long duration government was the only segment that failed to post a gain. Yields on investment grade and high yield corporate bonds declined, finishing the week at 4.4% and 7.5%, respectively.

Economic releases were generally positive for the week as Wednesday's cooler-than-expected CPI reading dominated headlines. The NFIB small-business index rose to 89.9 in July from 89.5, reflecting improved expectations among small-business owners. U.S. productivity fell at a -4.6% annual rate in the second quarter, marking the second consecutive quarterly decline as labor costs are rising sharply. The U.S. consumer price index was unchanged in July, keeping the 12-month inflation rate at 8.5% as the decline in used car prices and goods was able to offset the rise in cost of shelter and wages. The U.S. producer price index fell 0.5% in July, marking the first downshift since 2020 as energy prices fell 9%. The University of Michigan's preliminary consumer sentiment reading showed improvement as the index rose to 55.1 from 51.1 in July. The BoE expects a recession to begin at the end of the year as the U.K.'s GDP contracted by 0.1% in the second quarter.

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

|       | Week  |       |        | MTD   |       |        | QTD    |        |        | YTD    |         |         |
|-------|-------|-------|--------|-------|-------|--------|--------|--------|--------|--------|---------|---------|
|       | Value | Core  | Growth | Value | Core  | Growth | Value  | Core   | Growth | Value  | Core    | Growth  |
| Large | 3.93% | 3.39% | 2.89%  | 3.69% | 4.08% | 4.45%  | 10.57% | 13.77% | 16.99% | -3.65% | -10.05% | -15.85% |
| Mid   | 4.62% | 4.19% | 3.43%  | 4.37% | 4.91% | 5.88%  | 13.35% | 15.26% | 18.84% | -5.04% | -9.60%  | -18.00% |
| Small | 5.20% | 4.97% | 4.76%  | 6.19% | 7.03% | 7.87%  | 16.47% | 18.21% | 19.95% | -3.69% | -9.48%  | -15.38% |

## 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 | 0.07% | 0.07%  | -0.74% | -0.73% | -0.89% | -1.39% | 0.05% | 0.43%  | 1.24% | -4.14% | -5.37% | -20.22% |
| Corp | 0.33% | 0.54%  | 0.73%  | -0.34% | -0.32% | -0.24% | 1.17% | 2.04%  | 4.57% | -4.49% | -7.11% | -19.22% |
| HY   | 0.87% | 0.94%  | 0.99%  | 1.53%  | 1.58%  | 2.22%  | 6.06% | 7.54%  | 9.12% | -4.16% | -7.06% | -17.30% |

## Index Returns

|                          | Week  | MTD    | QTD    | YTD     |
|--------------------------|-------|--------|--------|---------|
| Equities (Stocks)        |       |        |        |         |
| S&P 500                  | 3.31% | 3.71%  | 13.27% | -9.34%  |
| S&P MidCap 400           | 4.46% | 4.13%  | 15.43% | -7.12%  |
| Russell 2000             | 4.97% | 7.03%  | 18.21% | -9.48%  |
| MSCI EAFE                | 2.16% | 1.50%  | 6.56%  | -14.29% |
| MSCI Emerging Markets    | 1.65% | 2.63%  | 2.37%  | -15.67% |
| MSCI EAFE Small Cap      | 2.99% | 2.46%  | 9.23%  | -17.76% |
| Fixed Income (Bonds)     |       |        |        |         |
| Bloomberg Int Gov/Credit | 0.21% | -0.71% | 0.91%  | -5.92%  |
| Bloomberg US Agg         | 0.24% | -0.80% | 1.63%  | -8.89%  |
| Bloomberg US High Yield  | 0.94% | 1.60%  | 7.60%  | -7.67%  |
| Other                    |       |        |        |         |
| Bloomberg Commodity      | 4.59% | 1.23%  | 5.54%  | 25.00%  |
| S&P Dev Property         | 4.12% | 2.08%  | 10.19% | -12.27% |

## S&P 500 Sector Returns

|                    | Week  | MTD   | QTD    | YTD     |
|--------------------|-------|-------|--------|---------|
| Consumer Disc      | 3.28% | 4.49% | 24.28% | -16.52% |
| Consumer Staples   | 1.25% | 1.36% | 4.70%  | -1.14%  |
| Energy             | 7.45% | 0.15% | 9.88%  | 44.87%  |
| Financials         | 5.49% | 5.48% | 13.09% | -8.09%  |
| Health Care        | 1.66% | 0.95% | 4.30%  | -4.39%  |
| Industrials        | 3.84% | 4.44% | 14.36% | -4.84%  |
| Info Technology    | 2.47% | 4.52% | 18.67% | -13.26% |
| Materials          | 5.21% | 3.85% | 10.23% | -9.49%  |
| Real Estate        | 4.10% | 2.74% | 11.30% | -10.53% |
| Communication Svcs | 4.48% | 5.69% | 9.61%  | -23.45% |
| Utilities          | 3.33% | 3.76% | 9.47%  | 8.86%   |

## Bond Yields

|               | 8/12/22 | 7/31/22 | 6/30/22 | 12/31/21 |
|---------------|---------|---------|---------|----------|
| 3Mo Libor     | 2.92%   | 2.79%   | 2.29%   | 0.21%    |
| SOFR 3Mo Swap | 2.72%   | 2.55%   | 2.10%   | 0.09%    |
| 2Yr Treasury  | 3.25%   | 2.89%   | 2.96%   | 0.73%    |
| 10Yr Treasury | 2.83%   | 2.65%   | 3.02%   | 1.51%    |
| 2-10 Slope    | -0.41%  | -0.24%  | 0.06%   | 0.78%    |

## Commodities and Currency

|                 | 8/12/22 | 7/31/22 | 6/30/22 | 12/31/21 |
|-----------------|---------|---------|---------|----------|
| Oil (\$/barrel) | 92.09   | 98.62   | 105.76  | 76.99    |
| Gold (\$/oz.)   | 1802.4  | 1765.94 | 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.