

Weekly Market Update



Market Data as of Week Ending: 2/25/2022 unless noted otherwise

U.S. stock market volatility surged as Russia's invasion of Ukraine has unsettled global financial markets. The S&P 500 ended the week 0.84% higher, despite the geopolitical crisis and economic sanctions that caused the Russian ruble to decline 20% on Friday. The blended fourth quarter earnings growth rate for the S&P 500 is 30.7%, which will mark the fourth straight quarter of earnings growth above 30%, according to FactSet. Growth stocks outpaced their value counterparts while small-cap companies outperformed large-caps for the third week in a row. Traditionally defensive sectors such as healthcare, real estate, and utilities were the best performing sectors while consumer discretionary stocks significantly lagged. Both developed foreign and emerging markets significantly lagged U.S. stocks for the week.

U.S. Treasury yields remained choppy through heightened geopolitical tensions and economic data. Typically, high quality government bond yields drop in these environments, as investors seek the safety and liquidity offered by these securities. However, rising inflation and higher expected short-term interest rates have supported yields and the 10-year ended the week slightly higher at 1.96%. Most segments of the bond market declined; however, high yield corporate bonds outperformed and ended the week with small gains. Yields rose for investment grade corporate bonds whereas high yield corporate bonds narrowly declined and finished the week at 3.2% and 5.9%, respectively.

Economic data releases were mixed and mostly overshadowed by the situation in Ukraine. The personal consumption expenditures (PCE) core price index, the Fed's preferred measure of inflation, rose 5.2% in January, which is the highest increase since April 1983. The job market continues to remain attractive as initial jobless claims fell to 232,000 and continuing claims ended the week at 1.5 million, the lowest level since 1970. Despite higher prices, U.S. consumer spending increased 2.1% in the month of January; however, pending home sales declined because of low inventory and higher borrowing costs. IHS Markit's European Composite PMI, a measure of business activity, rose to a five-month high of 55.8 for the month of February. However, the European Union and the UK began imposing sanctions on Russia that will likely have a negative impact on growth and could exacerbate supply constraints and inflation.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	0.87%	0.96%	1.05%	-0.66%	-2.61%	-4.46%	-2.97%	-8.10%	-12.66%	-2.97%	-8.10%	-12.66%
Mid	0.88%	1.32%	2.21%	-0.04%	-0.51%	-1.43%	-4.31%	-7.84%	-14.15%	-4.31%	-7.84%	-14.15%
Small	1.11%	1.59%	2.12%	1.34%	0.70%	0.03%	-4.57%	-8.99%	-13.38%	-4.57%	-8.99%	-13.38%

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

	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	-0.13%	-0.16%	-1.00%	-0.80%	-0.94%	-3.53%	-1.74%	-2.21%	-7.50%	-1.74%	-2.21%	-7.50%
Corp	-0.26%	-0.36%	-0.83%	-1.11%	-1.63%	-5.04%	-2.31%	-3.50%	-10.37%	-2.31%	-3.50%	-10.37%
HY	0.12%	0.38%	0.16%	-0.64%	-1.07%	-3.30%	-1.98%	-3.53%	-9.13%	-1.98%	-3.53%	-9.13%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	0.84%	-2.77%	-7.80%	-7.80%
S&P MidCap 400	1.14%	1.11%	-6.18%	-6.18%
Russell 2000	1.59%	0.70%	-8.99%	-8.99%
MSCI EAFE	-2.49%	-1.84%	-6.58%	-6.58%
MSCI Emerging Markets	-4.85%	-2.94%	-4.78%	-4.78%
MSCI EAFE Small Cap	-2.60%	-2.33%	-9.48%	-9.48%
Fixed Income (Bonds)				
Barclays Int Gov/Credit	-0.23%	-1.16%	-2.61%	-2.61%
Barclays US Agg	-0.33%	-1.88%	-4.00%	-4.00%
Barclays US High Yield	0.37%	-1.22%	-3.92%	-3.92%
Other				
Bloomberg Commodity	0.70%	4.23%	13.38%	13.38%
S&P Dev Property	0.38%	-1.59%	-7.26%	-7.26%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-2.16%	-4.59%	-13.82%	-13.82%
Consumer Staples	-0.31%	-0.12%	-1.49%	-1.49%
Energy	1.37%	4.44%	24.40%	24.40%
Financials	-0.26%	0.09%	0.14%	0.14%
Health Care	2.72%	-0.27%	-7.01%	-7.01%
Industrials	0.89%	-1.59%	-6.24%	-6.24%
Info Technology	1.30%	-4.75%	-11.31%	-11.31%
Materials	0.60%	-0.09%	-6.92%	-6.92%
Real Estate	2.83%	-3.26%	-11.54%	-11.54%
Communication Svcs	1.84%	-6.98%	-12.76%	-12.76%
Utilities	2.08%	-2.36%	-5.55%	-5.55%

Bond Yields

	2/25/22	1/31/22	12/31/21	12/31/21
3Mo Libor	0.52%	0.31%	0.21%	0.21%
SOFR 3Mo Swap	0.40%	0.21%	0.09%	0.09%
2Yr Treasury	1.57%	1.18%	0.73%	0.73%
10Yr Treasury	1.96%	1.78%	1.51%	1.51%
2-10 Slope	0.39%	0.60%	0.78%	0.78%

Commodities and Currency

	2/25/22	1/31/22	12/31/21	12/31/21
Oil (\$/barrel)	92.59	88.15	76.99	76.99
Gold (\$/oz.)	1889.34	1797.17	1829.2	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.