

Weekly Market Update



Market Data as of Week Ending: 3/18/2022 unless noted otherwise

U.S. stock prices rebounded as the Fed announced their widely anticipated decision to raise short term interest rates. The Fed has decidedly pivoted toward a less accommodative stance as they attempt to address inflation that is at its highest level in more than 40 years. Stock prices were also supported by lower oil prices and favorable economic data that shows the risk of a recession this year remains low. Growth stocks outperformed their value counterparts while smaller companies generally lagged their large company peers. Ten of the eleven major economic sectors increased with energy as the only exception. Consumer discretionary and information technology were the best performing sectors followed by strong gains in the financial and health care sectors. Developed foreign markets and emerging markets also recovered but lagged strong gains in the U.S.

U.S. Treasury yields rose and were supported by the Fed's forward guidance that they anticipate six more rate hikes this year. The 10-year treasury ended the week at 2.15% and even the 2-year note is approaching 2%. Investor sentiment also pivoted in the bond market as long duration corporate bonds outperformed and delivered solid gains despite the rising yield environment. Government bonds declined across the curve and lagged. Yields were largely unchanged for both investment grade corporate bonds and high yield corporate bonds as they finished the week at 3.5% and 6.3%, respectively.

Economic data releases were mixed and largely overshadowed by the Fed's policy decision and the crisis in Ukraine. Retail sales increased 0.3% in February over the prior month and were up more than 17% compared to the same period one year ago. However, after removing autos and gasoline, retail sales were down 0.4% in February. The National Association of Realtors reported that existing home sales declined 7.2% in February from the prior month, which was negatively impacted by a combination of higher mortgage rates and low supply. The labor market remains tight as initial jobless claims dropped to 214,000 and continuing claims have dropped down to 1.4 million. The Bank of England also increased interest rates with the primary distinction being that this is the third-rate increase for the central bank. Economic sentiment in Europe has deteriorated as the crisis in Ukraine has stoked even higher fears that inflation will be more persistent in the region.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	4.39%	6.36%	8.36%	2.12%	1.88%	1.64%	-1.41%	-6.50%	-11.03%	-1.41%	-6.50%	-11.03%
Mid	4.66%	6.22%	9.49%	2.04%	1.66%	0.91%	-2.77%	-6.50%	-13.18%	-2.77%	-6.50%	-13.18%
Small	3.42%	5.43%	7.71%	2.29%	1.97%	1.60%	-2.08%	-6.86%	-11.63%	-2.08%	-6.86%	-11.63%

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	-0.56%	-0.75%	-1.25%	-1.17%	-1.52%	-4.35%	-2.58%	-3.21%	-9.64%	-2.58%	-3.21%	-9.64%
Corp	-0.15%	-0.10%	1.75%	-1.43%	-1.86%	-2.91%	-3.38%	-4.77%	-11.53%	-3.38%	-4.77%	-11.53%
HY	0.43%	0.50%	0.68%	-1.00%	-1.33%	-2.28%	-2.89%	-4.66%	-10.70%	-2.89%	-4.66%	-10.70%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	6.19%	2.13%	-6.05%	-6.05%
S&P MidCap 400	5.32%	1.79%	-4.49%	-4.49%
Russell 2000	5.43%	1.97%	-6.86%	-6.86%
MSCI EAFE	5.60%	-0.80%	-7.26%	-7.26%
MSCI Emerging Markets	3.50%	-3.96%	-8.59%	-8.59%
MSCI EAFE Small Cap	4.70%	-0.74%	-9.17%	-9.17%
Fixed Income (Bonds)				
Barclays Int Gov/Credit	-0.54%	-1.61%	-3.69%	-3.69%
Barclays US Agg	-0.39%	-1.98%	-5.16%	-5.16%
Barclays US High Yield	0.51%	-1.38%	-5.06%	-5.06%
Other				
Bloomberg Commodity	-2.39%	7.71%	24.47%	24.47%
S&P Dev Property	2.98%	2.59%	-5.51%	-5.51%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	9.28%	3.10%	-10.60%	-10.60%
Consumer Staples	3.94%	-0.75%	-3.50%	-3.50%
Energy	-3.58%	4.79%	33.70%	33.70%
Financials	7.18%	1.26%	-0.06%	-0.06%
Health Care	6.30%	5.42%	-2.71%	-2.71%
Industrials	5.04%	3.00%	-2.72%	-2.72%
Info Technology	7.88%	0.83%	-10.72%	-10.72%
Materials	5.23%	3.28%	-4.98%	-4.98%
Real Estate	2.91%	5.18%	-8.57%	-8.57%
Communication Svcs	5.80%	-0.24%	-12.97%	-12.97%
Utilities	0.56%	4.29%	-0.99%	-0.99%

Bond Yields

	3/18/22	2/28/22	12/31/21	12/31/21
3Mo Libor	0.93%	0.50%	0.21%	0.21%
SOFR 3Mo Swap	0.52%	0.37%	0.09%	0.09%
2Yr Treasury	1.94%	1.43%	0.73%	0.73%
10Yr Treasury	2.15%	1.83%	1.51%	1.51%
2-10 Slope	0.21%	0.39%	0.78%	0.78%

Commodities and Currency

	3/18/22	2/28/22	12/31/21	12/31/21
Oil (\$/barrel)	104.7	95.72	76.99	76.99
Gold (\$/oz.)	1921.62	1908.99	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.