

Weekly Market Update



Market Data as of Week Ending: 5/20/2022 unless noted otherwise

U.S. stock prices declined for the seventh consecutive week as the S&P 500 reached bear market territory, declining more than 20% from its peak in January, using intraday prices. The risk-off sentiment has intensified as several large retailers reported results below expectations and continue to cite supply issues along with cost and wage inflation, despite healthy demand. Value oriented stocks largely outperformed their growth counterparts and smaller companies outperformed large company peers. Eight of the eleven major economic sectors declined led by significant losses in the consumer staples and consumer discretionary sectors. The three exceptions with gains for the week were in the energy, health care, and utilities sectors. Developed foreign markets posted a gain for the week and emerging market stocks outperformed both developed markets and the U.S.

U.S. Treasury yields dropped again as the 10-year treasury fell 0.15%, ending the week at 2.78%. Bond investors continue to face a challenging environment with higher rates on new issuance despite strong demand for high quality securities. Higher quality government bonds outperformed for the week while credit sensitive bonds lagged. Credit spreads continued to widen, especially for lower quality bonds, as yields for investment grade corporate bonds were relatively unchanged at 4.4%, while high yield corporate bonds increased, finishing the week at more than 7.8%.

Economic data releases were generally better than expected, but were largely overshadowed by comments from Fed policy makers that indicated tighter financial conditions were needed to tame inflation. Retail sales were better than expected in April and increased 0.9%, which was 8.2% higher compared to the same period last year. Despite the solid report, these readings are not adjusted for inflation and growth has been anemic after backing out higher prices. The housing market is facing significant headwinds of higher prices, higher mortgage rates and supply that remains tight. The National Association of Realtors reported that existing-home sales declined more than 2% in April, which was down nearly 6% from a year earlier. In Europe, the U.K. is also dealing with persistently high inflation as the country announced that consumer prices in April were 9% higher than a year earlier, a forty-year high.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.82%	-2.94%	-4.13%	-3.00%	-5.66%	-8.43%	-8.47%	-14.07%	-19.49%	-9.14%	-18.48%	-26.77%
Mid	-1.76%	-2.01%	-2.56%	-3.38%	-4.90%	-8.18%	-9.12%	-12.23%	-18.52%	-10.77%	-17.21%	-28.77%
Small	-0.72%	-1.05%	-1.43%	-3.64%	-4.77%	-6.07%	-11.12%	-14.21%	-17.60%	-13.25%	-20.67%	-28.00%

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	0.19%	0.39%	2.14%	0.53%	0.66%	-0.43%	-0.33%	-0.94%	-9.25%	-3.68%	-5.09%	-18.84%
Corp	0.02%	0.16%	0.95%	0.25%	0.13%	-1.05%	-1.16%	-2.76%	-10.71%	-4.85%	-7.87%	-20.90%
HY	-0.62%	-0.68%	-1.06%	-2.47%	-3.01%	-4.20%	-4.35%	-6.30%	-10.94%	-6.90%	-10.44%	-20.42%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-3.00%	-5.45%	-13.70%	-17.67%
S&P MidCap 400	-1.84%	-4.50%	-11.29%	-15.61%
Russell 2000	-1.05%	-4.77%	-14.21%	-20.67%
MSCI EAFE	1.50%	-2.76%	-9.05%	-14.43%
MSCI Emerging Markets	3.13%	-3.69%	-9.05%	-15.39%
MSCI EAFE Small Cap	2.09%	-3.62%	-10.24%	-17.89%
Fixed Income (Bonds)				
Barclays Int Gov/Credit	0.32%	0.49%	-1.52%	-5.96%
Barclays US Agg	0.59%	0.36%	-3.45%	-9.18%
Barclays US High Yield	-0.69%	-3.06%	-6.50%	-11.03%
Other				
Bloomberg Commodity	1.76%	0.88%	5.05%	31.89%
S&P Dev Property	-0.83%	-7.60%	-12.48%	-15.85%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-7.43%	-13.58%	-24.81%	-31.60%
Consumer Staples	-8.60%	-9.51%	-7.19%	-8.13%
Energy	1.36%	8.75%	7.08%	48.87%
Financials	-1.75%	-4.66%	-14.07%	-15.34%
Health Care	0.93%	-0.41%	-5.10%	-7.54%
Industrials	-3.62%	-5.69%	-12.79%	-14.85%
Info Technology	-3.71%	-7.62%	-18.04%	-24.89%
Materials	-0.11%	-3.10%	-6.48%	-8.70%
Real Estate	-1.71%	-9.17%	-12.25%	-17.43%
Communication Svcs	-3.01%	-2.14%	-17.42%	-27.27%
Utilities	0.44%	0.66%	-3.62%	0.98%

Bond Yields

	5/20/22	4/30/22	3/31/22	12/31/21
3Mo Libor	1.51%	1.33%	0.96%	0.21%
SOFR 3Mo Swap	1.32%	1.14%	0.67%	0.09%
2Yr Treasury	2.58%	2.72%	2.34%	0.73%
10Yr Treasury	2.78%	2.94%	2.34%	1.51%
2-10 Slope	0.20%	0.22%	0.00%	0.78%

Commodities and Currency

	5/20/22	4/30/22	3/31/22	12/31/21
Oil (\$/barrel)	113.23	104.69	100.28	76.99
Gold (\$/oz.)	1846.5	1896.93	1937.44	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.