

Weekly Market Update



Market Data as of Week Ending: 5/27/2022 unless noted otherwise

U.S. stock prices snapped the string of seven consecutive negative weeks as the S&P 500 recorded its best weekly result since November 2020, gaining nearly 7%. Earnings season ended with companies in the S&P 500 recording average earnings gain of 9% over the prior quarter, marking the slowest growth rate since the fourth quarter of 2020. Equity styles were mostly mixed with large growth being the differentiator, outpacing large value by 128 basis points. All eleven major economic sectors advanced, with consumer discretionary and energy stocks leading the way. The health care and communication services sectors lagged. Developed foreign and emerging market stocks posted a gain for the week but underperformed the U.S.

U.S. Treasury yields dropped again as the 10-year treasury fell 0.04%, ending the week at 2.74%, as weaker manufacturing and services data weighed on yields. Credit sensitive bonds outperformed as a small risk on trade was in place for the week, while higher quality government bonds lagged. Credit spreads narrowed slightly, as yields for investment grade corporate bonds and high yield corporate bonds decreased, finishing the week at 4.2% and 7.2%, respectively.

Economic data releases were generally worse than expected but were largely overshadowed by Friday's better-than-expected inflation reading. The personal consumption price index, rose just 0.2% in April, marking its smallest increase in a year and a half and brought the inflation rate over the past year down to 6.3%. The S&P flash global surveys showed U.S. businesses grew at their slowest pace in several months, as the manufacturing and services PMI's fell to three-month lows in May. New home sales fell to 591,000, well off the forecasted 750,000 as surging home prices and mortgage rates discouraged buyers. Durable goods orders grew at 0.4% in April, missing forecasts and signaling slowing business investments. Consumers boosted their spending for the fourth straight month in April, rising by 0.9%, as they spent more on services and autos. The spending seemed to dip into some savings as the savings rate fell to 4.4%, its lowest in 14 years. Consumer sentiment dropped to 58.4 in May, nearing a decade low, as persistent inflation is weighing on consumers. Shares rose in Europe as central banks signaled that interest rate increases are likely to be gradual as the belief that inflation may be peaking grows.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	5.99%	6.60%	7.27%	2.81%	0.56%	-1.77%	-2.99%	-8.41%	-13.64%	-3.71%	-13.10%	-21.44%
Mid	6.50%	6.49%	6.45%	2.91%	1.26%	-2.26%	-3.21%	-6.54%	-13.26%	-4.97%	-11.84%	-24.17%
Small	6.89%	6.49%	6.02%	3.00%	1.41%	-0.42%	-5.00%	-8.64%	-12.63%	-7.28%	-15.51%	-23.67%

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	0.29%	0.32%	0.23%	0.82%	0.97%	-0.20%	-0.04%	-0.63%	-9.04%	-3.40%	-4.79%	-18.66%
Corp	0.67%	1.00%	2.86%	0.92%	1.13%	1.78%	-0.50%	-1.78%	-8.15%	-4.21%	-6.95%	-18.64%
HY	2.30%	3.31%	3.97%	-0.23%	0.21%	-0.40%	-2.15%	-3.19%	-7.41%	-4.76%	-7.47%	-17.26%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	6.62%	0.81%	-7.98%	-12.21%
S&P MidCap 400	6.53%	1.74%	-5.49%	-10.10%
Russell 2000	6.49%	1.41%	-8.64%	-15.51%
MSCI EAFE	3.48%	0.63%	-5.88%	-11.45%
MSCI Emerging Markets	0.91%	-2.82%	-8.23%	-14.63%
MSCI EAFE Small Cap	2.61%	-1.11%	-7.90%	-15.75%
Fixed Income (Bonds)				
Barclays Int Gov/Credit	0.53%	1.02%	-1.00%	-5.46%
Barclays US Agg	0.78%	1.14%	-2.69%	-8.47%
Barclays US High Yield	3.34%	0.18%	-3.38%	-8.05%
Other				
Bloomberg Commodity	2.57%	3.47%	7.75%	35.28%
S&P Dev Property	4.05%	-3.85%	-8.93%	-12.44%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	9.26%	-5.58%	-17.85%	-25.27%
Consumer Staples	6.18%	-3.93%	-1.46%	-2.46%
Energy	8.21%	17.68%	15.87%	61.09%
Financials	8.08%	3.05%	-7.12%	-8.50%
Health Care	3.27%	2.85%	-1.99%	-4.52%
Industrials	6.40%	0.34%	-7.21%	-9.40%
Info Technology	8.08%	-0.15%	-11.42%	-18.82%
Materials	6.05%	2.77%	-0.82%	-3.17%
Real Estate	5.83%	-3.88%	-7.14%	-12.62%
Communication Svcs	3.60%	1.38%	-14.45%	-24.65%
Utilities	5.09%	5.78%	1.28%	6.12%

Bond Yields

	5/27/22	4/30/22	3/31/22	12/31/21
3Mo Libor	1.60%	1.33%	0.96%	0.21%
SOFR 3Mo Swap	1.39%	1.14%	0.67%	0.09%
2Yr Treasury	2.48%	2.72%	2.34%	0.73%
10Yr Treasury	2.74%	2.94%	2.34%	1.51%
2-10 Slope	0.26%	0.22%	0.00%	0.78%

Commodities and Currency

	5/27/22	4/30/22	3/31/22	12/31/21
Oil (\$/barrel)	115.07	104.69	100.28	76.99
Gold (\$/oz.)	1853.72	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.