

Weekly Market Update



Market Data as of Week Ending: 6/3/2022 unless noted otherwise

U.S. stock prices declined as investor sentiment shifted back toward skepticism around the Fed's ability to restrain inflation. Now that the first quarter reporting cycle has effectively ended, analyst expectations for the second quarter have come into focus. S&P 500 earnings are expected to grow by 4% for the second quarter despite a nearly 10% growth in revenue. Growth stocks were able to outpace value and smaller companies generally outperformed their large company peers. It was another solid week for the energy sector, one of only three sectors that delivered gains. Consumer discretionary and industrials were the other two sectors that edged out a small gain while health care, real estate, and financials lagged. Developed foreign and emerging market stocks underperformed the U.S.

Volatility picked up in the bond market as the 10-year treasury yield increased 0.20% and ended the week at 2.94%. Credit sensitive bonds outperformed while higher-quality government bonds lagged. Among high quality investment grade bonds, those with shorter durations generally outperformed. Yields on investment grade corporate bonds and high yield corporate bonds narrowly edged higher, and finished the week at 4.3% and 7.3%, respectively.

Economic data releases were sparse this week and were headlined by a better-than-expected jobs report for the month of May. The U.S. added 390,000 jobs and the unemployment rate remained unchanged at 3.6%. Job openings decreased from 11.9 million to 11.4 million. Those figures are aligned with Fed expectations given tighter financial market conditions and recent interest rate hikes to help offset inflation. ISM reported that the manufacturing sector grew for the 24th consecutive month in their PMI survey that increased to 56.1%. According to ISM, growth in the manufacturing sector remains challenged by excess demand in a supply-chain constrained environment. Inflation in the European Union soared and reached a record high of 8.1%, putting more pressure on the ECB to begin raising short-term interest rates.

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

	Value	Week Core	Growth	Value	MTD Core	Growth	Value	QTD Core	Growth	Value	YTD Core	Growth
Large	-1.36%	-1.14%	-0.90%	-0.52%	-0.43%	-0.34%	-4.31%	-9.45%	-14.41%	-5.01%	-14.09%	-22.15%
Mid	-1.30%	-1.16%	-0.85%	-0.35%	0.01%	0.82%	-4.47%	-7.62%	-14.00%	-6.21%	-12.87%	-24.81%
Small	-0.14%	-0.22%	-0.31%	0.91%	1.04%	1.19%	-5.13%	-8.84%	-12.91%	-7.41%	-15.70%	-23.90%

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

	Short	Week Intern	Long	Short	MTD Intern	Long	Short	QTD Intern	Long	Short	YTD Intern	Long
Govt	-0.47%	-0.70%	-2.07%	-0.32%	-0.41%	-0.40%	-0.51%	-1.33%	-10.92%	-3.86%	-5.46%	-20.34%
Corp	-0.44%	-0.68%	-1.16%	-0.33%	-0.44%	-0.39%	-0.93%	-2.45%	-9.22%	-4.63%	-7.57%	-19.58%
HY	-0.08%	-0.37%	0.06%	-0.15%	-0.41%	-0.46%	-2.23%	-3.55%	-7.35%	-4.84%	-7.81%	-17.21%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.15%	-0.54%	-9.04%	-13.23%
S&P MidCap 400	-0.71%	0.27%	-6.16%	-10.74%
Russell 2000	-0.22%	1.04%	-8.84%	-15.70%
MSCI EAFE	-0.28%	-0.40%	-6.15%	-11.70%
MSCI Emerging Markets	1.77%	-1.53%	-6.60%	-13.11%
MSCI EAFE Small Cap	-0.13%	-0.52%	-8.02%	-15.86%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.69%	-0.42%	-1.68%	-6.12%
Bloomberg US Agg	-0.88%	-0.39%	-3.55%	-9.28%
Bloomberg US High Yield	-0.35%	-0.41%	-3.72%	-8.37%
Other				
Bloomberg Commodity	-0.02%	1.89%	7.73%	35.25%
S&P Dev Property	-1.55%	-0.96%	-10.35%	-13.80%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	0.11%	-0.66%	-17.76%	-25.19%
Consumer Staples	-1.64%	-0.93%	-3.08%	-4.05%
Energy	1.20%	2.88%	17.27%	63.03%
Financials	-2.05%	-1.74%	-9.02%	-10.37%
Health Care	-3.13%	-1.78%	-5.06%	-7.51%
Industrials	0.09%	0.92%	-7.12%	-9.32%
Info Technology	-1.12%	-0.42%	-12.41%	-19.73%
Materials	-0.82%	0.78%	-1.63%	-3.97%
Real Estate	-2.12%	-0.80%	-9.10%	-14.47%
Communication Svcs	-0.14%	-0.54%	-14.57%	-24.76%
Utilities	-1.33%	0.05%	-0.06%	4.71%

Bond Yields

	6/3/22	5/31/22	3/31/22	12/31/21
3Mo Libor	1.63%	1.61%	0.96%	0.21%
SOFR 3Mo Swap	1.47%	1.41%	0.67%	0.09%
2Yr Treasury	2.66%	2.56%	2.34%	0.73%
10Yr Treasury	2.94%	2.85%	2.34%	1.51%
2-10 Slope	0.28%	0.29%	0.00%	0.78%

Commodities and Currency

	6/3/22	5/31/22	3/31/22	12/31/21
Oil (\$/barrel)	118.87	114.67	100.28	76.99
Gold (\$/oz.)	1851.19	1837.35	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.