

Weekly Market Update



Market Data as of Week Ending: 7/1/2022 unless noted otherwise

U.S. stock prices could not maintain positive momentum as major indices rotated back toward losses for the week. A fresh wave of weak economic data was released, and several companies warned that profitability will be challenged as demand is expected to slow. Second quarter earnings growth expectations have declined by nearly 2% over the past three months. Value stocks returned to the forefront and outperformed their growth counterparts while mid-sized companies generally outperformed their small and large company peers. Energy and traditionally more defensive sectors such as utilities, consumer staples, and health care were the only sectors to record gains. Consumer discretionary, information technology, and communication services sectors lagged in these more volatile and higher growth areas. Developed foreign and emerging market stock prices also declined with mixed results, relative to the U.S.

U.S. Treasury yields fell for the third consecutive week as investors continue to price in higher probabilities that the U.S. is headed toward a recession. The 10-year U.S. Treasury fell to 2.88%, its lowest level in more than a month. Higher quality and longer duration bonds outperformed as investors showed a strong preference for safety and cash flow visibility. High yield bonds declined and were the worst performing segment across the curve. Yields on investment grade corporate bonds narrowly fell while high yield corporate bonds moved higher, finishing the week at 4.6% and 8.9%, respectively.

Economic data releases were largely disappointing as they were generally worse than expected. Consumer confidence has been declining and the Conference Board's index dropped 4.5 points to its lowest level in nearly a decade. That sentiment is starting show in consumption activity as consumer purchases declined 0.4% in May, after adjusting for inflation. This was the first decline of the year and was largely driven by a pullback in purchases of goods. Inflation data from the PCE index showed some signs that inflation may be peaking as core prices (excludes food and energy prices) were up 0.3% in May, the same increase for the fourth consecutive month. In Europe, central bank policy makers contemplated the possibility of raising rates as high as 0.50% as inflation remains a global issue. According to Eurostat, inflation in the region accelerated to another record high of 8.6% in June.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-1.16%	-2.30%	-3.42%	1.28%	1.14%	1.00%	1.28%	1.14%	1.00%	-11.75%	-20.05%	-27.35%
Mid	-1.30%	-1.98%	-3.22%	1.43%	1.43%	1.41%	1.43%	1.43%	1.41%	-15.03%	-20.45%	-30.03%
Small	-1.43%	-2.09%	-2.73%	1.50%	1.16%	0.83%	1.50%	1.16%	0.83%	-16.07%	-22.53%	-28.87%

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

	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	0.69%	1.01%	2.50%	0.37%	0.50%	0.63%	0.37%	0.50%	0.63%	-3.83%	-5.30%	-20.70%
Corp	0.59%	0.74%	0.89%	0.39%	0.53%	0.60%	0.39%	0.53%	0.60%	-5.23%	-8.49%	-22.28%
HY	-1.45%	-1.62%	-1.87%	0.12%	0.18%	0.21%	0.12%	0.18%	0.21%	-9.53%	-13.42%	-24.05%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-2.18%	1.06%	1.06%	-19.11%
S&P MidCap 400	-1.60%	1.20%	1.20%	-18.58%
Russell 2000	-2.09%	1.16%	1.16%	-22.53%
MSCI EAFE	-2.19%	-0.76%	-0.76%	-20.18%
MSCI Emerging Markets	-1.58%	-0.78%	-0.78%	-18.27%
MSCI EAFE Small Cap	-2.57%	-0.75%	-0.75%	-25.27%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.92%	0.51%	0.51%	-6.30%
Bloomberg US Agg	1.27%	0.61%	0.61%	-9.81%
Bloomberg US High Yield	-1.63%	0.19%	0.19%	-14.03%
Other				
Bloomberg Commodity	-3.42%	0.07%	0.07%	18.52%
S&P Dev Property	-1.05%	0.85%	0.85%	-19.71%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-4.69%	1.97%	1.97%	-31.50%
Consumer Staples	0.41%	1.43%	1.43%	-4.23%
Energy	1.36%	1.44%	1.44%	33.74%
Financials	-1.41%	1.43%	1.43%	-17.56%
Health Care	0.42%	1.22%	1.22%	-7.22%
Industrials	-0.79%	0.91%	0.91%	-16.04%
Info Technology	-4.47%	0.25%	0.25%	-26.73%
Materials	-3.07%	0.67%	0.67%	-17.34%
Real Estate	-0.53%	1.84%	1.84%	-18.14%
Communication Svcs	-4.54%	0.67%	0.67%	-29.69%
Utilities	4.14%	2.50%	2.50%	1.94%

Bond Yields

	7/1/22	6/30/22	6/30/21	12/31/21
3Mo Libor	2.29%	2.29%	2.29%	0.21%
SOFR 3Mo Swap	2.11%	2.10%	2.10%	0.09%
2Yr Treasury	2.84%	2.96%	2.96%	0.73%
10Yr Treasury	2.88%	3.02%	3.02%	1.51%
2-10 Slope	0.05%	0.06%	0.06%	0.78%

Commodities and Currency

	7/1/22	6/30/22	6/30/21	12/31/21
Oil (\$/barrel)	108.43	105.76	105.76	76.99
Gold (\$/oz.)	1811.43	1807.27	1807.27	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.