

Weekly Market Update



Market Data as of Week Ending: 7/15/2022 unless noted otherwise

U.S. stock prices declined as inflation rose to 9.1%, the highest annual increase in more than 40 years. Typically, investors are already focused on quarterly financial results; however, this week's sentiment was more centered on inflation and its influence on the upcoming Fed policy meeting. Value stocks narrowly outperformed their growth counterparts while small-sized companies generally lagged their mid and large company peers. Consumer staples was the only major economic sector with a gain, followed by relative outperformance in other traditionally defensive sectors, health care and utilities. Crude oil prices declined to less than \$100 per barrel and energy stocks were among the worst performers along with the communication services, industrials and materials sectors. Developed foreign and emerging market stock prices also declined and underperformed relative to the U.S.

Longer term U.S. Treasury yields declined as the 10-year U.S. Treasury fell to 2.92%. However, the 2-year yield was slightly higher ending the week at 3.13%. When short-term yields are higher than longer-term yields, it's typically associated with slower growth and higher recession risks. Higher quality bonds outperformed and were led by outperformance from long duration government bonds. High yield corporate bonds lagged but still delivered gains across the yield curve. Yields on investment grade and high yield corporate bonds were little changed, finishing the week at 4.6% and 8.6%, respectively.

Economic releases were headlined by the monthly inflation readings that come from the Consumer Price Index (CPI). The June report showed a monthly increase of 1.3%, which was 9.1% higher than the same period 12 months ago. Even after excluding the more volatile food and energy prices, the monthly Core reading was 0.7% and gained 5.9% over the past year. Retail sales were better than anticipated and advanced 1.0% in June and 8.4% compared to the same period one year ago; however, those figures are not adjusted for inflation. Consumer sentiment beat expectations and rose from a record low of 50.0 in June to 51.1 in July. In Europe, the euro and the U.S. dollar were both priced at 1 for the first time in two decades as the European central bank still has not lifted policy rates to address inflation 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	-0.83%	-1.06%	-1.29%	0.79%	2.11%	3.43%	0.79%	2.11%	3.43%	-12.17%	-19.28%	-25.60%
Mid	-0.81%	-1.31%	-2.22%	1.03%	1.54%	2.48%	1.03%	1.54%	2.48%	-15.37%	-20.37%	-29.29%
Small	-0.81%	-1.40%	-1.97%	1.68%	2.17%	2.66%	1.68%	2.17%	2.66%	-15.92%	-21.76%	-27.57%

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	0.10%	0.33%	2.99%	-0.12%	0.03%	1.33%	-0.12%	0.03%	1.33%	-4.30%	-5.74%	-20.15%
Corp	0.11%	0.42%	2.22%	0.23%	0.53%	2.20%	0.23%	0.53%	2.20%	-5.38%	-8.49%	-21.05%
HY	0.03%	0.27%	0.14%	1.11%	1.78%	1.89%	1.11%	1.78%	1.89%	-8.63%	-12.04%	-22.78%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.91%	2.12%	2.12%	-18.27%
S&P MidCap 400	-0.69%	1.59%	1.59%	-18.26%
Russell 2000	-1.40%	2.17%	2.17%	-21.76%
MSCI EAFE	-1.75%	-1.55%	-1.55%	-20.81%
MSCI Emerging Markets	-3.69%	-3.54%	-3.54%	-20.54%
MSCI EAFE Small Cap	-2.41%	-1.58%	-1.58%	-25.90%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.35%	0.18%	0.18%	-6.61%
Bloomberg US Agg	0.89%	0.62%	0.62%	-9.80%
Bloomberg US High Yield	0.26%	1.78%	1.78%	-12.66%
Other				
Bloomberg Commodity	-2.07%	-2.98%	-2.98%	14.91%
S&P Dev Property	-0.88%	-0.19%	-0.19%	-20.54%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-1.04%	5.50%	5.50%	-29.13%
Consumer Staples	0.11%	1.10%	1.10%	-4.54%
Energy	-3.04%	-3.99%	-3.99%	26.58%
Financials	-0.89%	1.15%	1.15%	-17.79%
Health Care	-0.39%	1.63%	1.63%	-6.84%
Industrials	-1.21%	-0.52%	-0.52%	-17.23%
Info Technology	-0.32%	4.27%	4.27%	-23.78%
Materials	-1.29%	-2.10%	-2.10%	-19.62%
Real Estate	-0.52%	0.31%	0.31%	-19.37%
Communication Svcs	-3.26%	2.38%	2.38%	-28.50%
Utilities	-0.10%	-0.50%	-0.50%	-1.05%

Bond Yields

	7/15/22	6/30/22	6/30/22	12/31/21
3Mo Libor	2.74%	2.29%	2.29%	0.21%
SOFR 3Mo Swap	2.44%	2.10%	2.10%	0.09%
2Yr Treasury	3.13%	2.96%	2.96%	0.73%
10Yr Treasury	2.92%	3.02%	3.02%	1.51%
2-10 Slope	-0.21%	0.06%	0.06%	0.78%

Commodities and Currency

	7/15/22	6/30/22	6/30/22	12/31/21
Oil (\$/barrel)	97.59	105.76	105.76	76.99
Gold (\$/oz.)	1708.17	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.