

Weekly Market Update



Market Data as of Week Ending: 7/22/2022 unless noted otherwise

U.S. stock prices gained as companies in the S&P 500 have generally reported better than expected results for the second quarter. Sentiment has shifted back toward investors embracing risk assets, with an emphasis on growth stocks, as the economy starts to show signs of slower growth. Value stocks lagged their growth counterparts while mid-sized companies generally outperformed their small and large company peers. Most of the major economic sectors produced gains for the week and were led by strength in the consumer discretionary, materials, industrials, and information technology sectors. Traditionally defensive sectors such as utilities, health care, and consumer staples lagged. Developed foreign and emerging market stock prices also delivered solid gains and outperformed the U.S.

U.S. Treasury yields declined as the 10-year U.S. Treasury fell to 2.75% and the 2-year yield ended the week at 2.97%. When short-term yields are higher than longer-term yields, it's typically associated with slower growth and higher recession risks. Lower quality bonds outperformed and were led by outperformance from long duration high yield bonds. Government bonds lagged but still delivered gains across the yield curve. Yields on investment grade and high yield corporate bonds declined and finished the week at 4.4% and 8.1%, respectively.

Economic releases were generally worse than expected and are indicating that the economic growth is slowing, increasing the risk of recession. The July reading of the S&P Global Flash US Composite PMI came in at 47.5 and contracted (below 50) for the first time in nearly two years as both manufacturers and service providers reported softer demand. Initial jobless claims rose to 251,000, a new high for the year, and continuing claims rose to 1.4 million. Housing starts declined 2% in June and prices remain elevated as the median price of existing homes increased more than 13% over the previous 12 months. In Europe, the ECB lifted policy rates for the first time since 2011 to address inflation in the region. In the United Kingdom, which officially left the EU in 2020, inflation climbed to a new four-decade high of 9.4%.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	2.33%	2.74%	3.13%	3.14%	4.90%	6.68%	3.14%	4.90%	6.68%	-10.12%	-17.07%	-23.27%
Mid	3.23%	3.69%	4.56%	4.29%	5.29%	7.16%	4.29%	5.29%	7.16%	-12.64%	-17.42%	-26.06%
Small	3.36%	3.59%	3.82%	5.10%	5.84%	6.58%	5.10%	5.84%	6.58%	-13.09%	-18.96%	-24.81%

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	0.54%	0.76%	2.05%	0.42%	0.79%	3.41%	0.42%	0.79%	3.41%	-3.79%	-5.03%	-18.51%
Corp	0.71%	1.07%	2.51%	0.94%	1.60%	4.77%	0.94%	1.60%	4.77%	-4.71%	-7.51%	-19.06%
HY	1.93%	2.47%	2.66%	3.07%	4.29%	4.60%	3.07%	4.29%	4.60%	-6.86%	-9.87%	-20.73%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	2.57%	4.73%	4.73%	-16.17%
S&P MidCap 400	4.05%	5.70%	5.70%	-14.96%
Russell 2000	3.59%	5.84%	5.84%	-18.96%
MSCI EAFE	4.43%	2.81%	2.81%	-17.31%
MSCI Emerging Markets	3.00%	-0.65%	-0.65%	-18.16%
MSCI EAFE Small Cap	6.07%	4.39%	4.39%	-21.40%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.85%	1.03%	1.03%	-5.81%
Bloomberg US Agg	1.17%	1.79%	1.79%	-8.74%
Bloomberg US High Yield	2.48%	4.30%	4.30%	-10.50%
Other				
Bloomberg Commodity	2.74%	-0.32%	-0.32%	18.05%
S&P Dev Property	4.06%	3.87%	3.87%	-17.31%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	6.81%	12.69%	12.69%	-24.30%
Consumer Staples	0.52%	1.62%	1.62%	-4.05%
Energy	3.54%	-0.59%	-0.59%	31.06%
Financials	2.91%	4.10%	4.10%	-15.39%
Health Care	-0.32%	1.30%	1.30%	-7.14%
Industrials	4.14%	3.59%	3.59%	-13.80%
Info Technology	3.61%	8.04%	8.04%	-21.03%
Materials	4.15%	1.96%	1.96%	-16.28%
Real Estate	2.95%	3.27%	3.27%	-16.99%
Communication Svcs	-1.16%	1.19%	1.19%	-29.33%
Utilities	-0.45%	-0.95%	-0.95%	-1.50%

Bond Yields

	7/22/22	6/30/22	6/30/22	12/31/21
3Mo Libor	2.77%	2.29%	2.29%	0.21%
SOFR 3Mo Swap	2.52%	2.10%	2.10%	0.09%
2Yr Treasury	2.97%	2.96%	2.96%	0.73%
10Yr Treasury	2.75%	3.02%	3.02%	1.51%
2-10 Slope	-0.22%	0.06%	0.06%	0.78%

Commodities and Currency

	7/22/22	6/30/22	6/30/22	12/31/21
Oil (\$/barrel)	97.95	105.76	105.76	76.99
Gold (\$/oz.)	1727.64	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.