

Weekly Market Update



Market Data as of Week Ending: 7/29/2022 unless noted otherwise

U.S. stock prices moved higher last week as markets shrugged off a downbeat GDP report in hopes that economic contraction may slow the Fed's aggressive hiking cycle. U.S. earnings have proved resilient, with the majority of companies in the S&P 500 beating estimates to start second quarter earnings season. Value stocks lagged their growth counterparts while small and mid-sized companies generally outperformed their large company peers. All the major economic sectors produced gains for the week and were led by strength in the energy, utilities, industrials, and consumer discretionary sectors. Traditionally defensive sectors such as consumer staples and health care lagged. Developed foreign stock prices delivered solid gains and outperformed the U.S, while emerging markets trailed.

U.S. Treasury yields declined as expectations for aggressive central bank policies softened. The 10-year U.S. Treasury fell to 2.65% and the 2-year yield ended the week at 2.89% on the back of the Fed's rate hike and negative U.S. GDP growth. Lower quality bonds outperformed for the second week in a row and were led by outperformance from long duration high yield bonds. Long duration government bonds were the only ones that failed to post a gain. Yields on investment grade and high yield corporate bonds declined and finished the week at 4.3% and 7.8%, respectively.

Economic releases were generally worse than expected, creating a "bad news is good news" dynamic. U.S. consumer confidence declined for the third straight month in July, dropping to 95.7 as inflation continues to impact the consumer. U.S. pending home sales fell 8.6% in June, significantly worse than estimates, as higher mortgage rates and dampened sentiment likely have potential homebuyers on the sidelines. The U.S. economy shrank by 0.9% in the second quarter, marking the second quarterly decline in a row. The back-to-back declines in GDP were the first since the 2007-2009 Great Recession. The U.S. PCE rose 1% in June, led by higher fuel prices, as inflation remains higher than expectations. University of Michigan's Consumer Sentiment Index was revised higher, unexpectedly, to 51.5, from 51.1, but still remains at historically low levels. □

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	3.39%	4.20%	4.99%	6.63%	9.31%	12.00%	6.63%	9.31%	12.00%	-7.08%	-13.58%	-19.44%
Mid	4.14%	4.35%	4.74%	8.61%	9.87%	12.24%	8.61%	9.87%	12.24%	-9.02%	-13.83%	-22.56%
Small	4.36%	4.35%	4.33%	9.68%	10.44%	11.20%	9.68%	10.44%	11.20%	-9.30%	-15.43%	-21.55%

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	0.37%	0.53%	-0.71%	0.79%	1.33%	2.67%	0.79%	1.33%	2.67%	-3.43%	-4.52%	-19.09%
Corp	0.57%	0.76%	0.04%	1.51%	2.37%	4.81%	1.51%	2.37%	4.81%	-4.17%	-6.81%	-19.03%
HY	1.35%	1.51%	2.06%	4.46%	5.87%	6.75%	4.46%	5.87%	6.75%	-5.60%	-8.51%	-19.10%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	4.28%	9.22%	9.22%	-12.58%
S&P MidCap 400	4.87%	10.85%	10.85%	-10.81%
Russell 2000	4.35%	10.44%	10.44%	-15.43%
MSCI EAFE	2.11%	4.98%	4.98%	-15.56%
MSCI Emerging Markets	0.41%	-0.25%	-0.25%	-17.83%
MSCI EAFE Small Cap	2.13%	6.61%	6.61%	-19.73%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.60%	1.63%	1.63%	-5.25%
Bloomberg US Agg	0.64%	2.44%	2.44%	-8.16%
Bloomberg US High Yield	1.53%	5.90%	5.90%	-9.12%
Other				
Bloomberg Commodity	4.60%	4.26%	4.26%	23.49%
S&P Dev Property	3.93%	7.95%	7.95%	-14.06%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	5.55%	18.94%	18.94%	-20.10%
Consumer Staples	1.65%	3.30%	3.30%	-2.47%
Energy	10.37%	9.72%	9.72%	44.66%
Financials	2.99%	7.21%	7.21%	-12.86%
Health Care	2.00%	3.32%	3.32%	-5.29%
Industrials	5.71%	9.50%	9.50%	-8.88%
Info Technology	5.09%	13.54%	13.54%	-17.01%
Materials	4.10%	6.14%	6.14%	-12.85%
Real Estate	4.90%	8.33%	8.33%	-12.92%
Communication Svcs	2.49%	3.71%	3.71%	-27.57%
Utilities	6.51%	5.50%	5.50%	4.92%

Bond Yields

	7/29/22	6/30/22	6/30/22	12/31/21
3Mo Libor	2.79%	2.29%	2.29%	0.21%
SOFR 3Mo Swap	2.55%	2.10%	2.10%	0.09%
2Yr Treasury	2.89%	2.96%	2.96%	0.73%
10Yr Treasury	2.65%	3.02%	3.02%	1.51%
2-10 Slope	-0.24%	0.06%	0.06%	0.78%

Commodities and Currency

	7/29/22	6/30/22	6/30/22	12/31/21
Oil (\$/barrel)	98.62	105.76	105.76	76.99
Gold (\$/oz.)	1765.94	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.