

Weekly Market Update



Market Data as of Week Ending: 10/13/2023 unless noted otherwise

Stock prices were mixed again last week as investors shifted their focus to quarterly earnings and inflation data. Quarterly earnings were expected to decline -0.3% in the third quarter following three consecutive quarters of earnings contraction. However, the results so far have been good. Even though less than 10% of companies have reported, expectations have increased to 0.4%. Value stocks rotated back into favor and outperformed growth for the week, while large companies maintained their leadership position and outperformed their small and mid-sized peers. Most major economic sectors ended the week in positive territory, with notable outperformance in the energy, real estate, and utilities sectors. Following the attacks in Israel, investor sentiment shifted away from growth-oriented sectors that lagged, such as consumer discretionary, communication services, and materials. Foreign developed and emerging market stock prices gained and outperformed their domestic peers.

U.S. Treasury yields settled down as investor sentiment in the bond market embraced a flight to quality following the attacks in Israel. The 10-year yield ended the week lower at 4.63%. Yields declined across the curve, and the 2-year finished slightly lower at 5.04%. All segments of the bond market increased, and longer-duration bonds outperformed. Credit quality was mixed across the curve as short-duration government bonds underperformed, and long-duration government bonds were the best-performing segment, up more than 3%. Yields declined for both U.S. Investment Grade Corporate and High Yield bonds to 6.10% and 9.25%, respectively.

Economic data was headlined by the September CPI (inflation) report that came in slightly higher than expected for both headline and core (excluding food and energy) at 0.4% and 0.3%, respectively. Core inflation has been trending lower, and the year-over-year rate declined from 4.3% to 4.1%. On Wednesday, the Producer Prices Index also came in at a higher-than-expected level of 0.5% in September, following an upwardly revised 0.7% in August. The Fed released its September meeting minutes that indicated investors should be more focused on "how long" policy rates will remain at restrictive levels instead of "how high" the Fed will raise policy rates. Other notable releases during the week included consumer sentiment that declined from 68.1 to 63.0, the lowest level in the past five months.

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

	Value	<u>Week</u> Core	Growth	Value	<u>MTD</u> Core	Growth	Value	<u>QTD</u> Core	Growth	Value	<u>YTD</u> Core	Growth
Large	0.44%	0.37%	0.30%	-1.07%	0.74%	2.36%	-1.07%	0.74%	2.36%	0.70%	13.85%	27.93%
Mid	0.10%	-0.07%	-0.48%	-1.45%	-1.19%	-0.58%	-1.45%	-1.19%	-0.58%	-0.92%	2.67%	9.25%
Small	-0.68%	-1.47%	-2.28%	-3.26%	-3.63%	-4.01%	-3.26%	-3.63%	-4.01%	-3.77%	-1.18%	1.02%

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

	Short	<u>Week</u> Interm	Long	Short	<u>MTD</u> Interm	Long	Short	<u>QTD</u> Interm	Long	Short	<u>YTD</u> Interm	Long
Govt	0.28%	0.49%	3.03%	0.15%	0.09%	-0.85%	0.15%	0.09%	-0.85%	1.30%	0.41%	-9.28%
Corp	0.35%	0.69%	2.42%	0.08%	-0.02%	-0.59%	0.08%	-0.02%	-0.59%	2.08%	1.32%	-3.28%
HY	0.40%	0.52%	1.07%	-0.52%	-0.65%	-1.82%	-0.52%	-0.65%	-1.82%	5.69%	5.24%	1.58%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	0.47%	0.99%	0.99%	14.19%
S&P MidCap 400	-0.50%	-2.33%	-2.33%	1.84%
Russell 2000	-1.47%	-3.63%	-3.63%	-1.18%
MSCI EAFE	0.97%	-0.90%	-0.90%	6.12%
MSCI Emerging Markets	1.51%	-0.12%	-0.12%	1.69%
MSCI EAFE Small Cap	-0.43%	-3.26%	-3.26%	-1.50%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	0.55%	0.05%	0.05%	0.71%
Bloomberg US Agg	0.95%	-0.23%	-0.23%	-1.43%
Bloomberg US High Yield	0.53%	-0.68%	-0.68%	5.14%
Other				
Bloomberg Commodity	2.75%	0.64%	0.64%	-2.83%
S&P Dev Property	0.89%	-0.96%	-0.96%	-4.49%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.68%	-0.93%	-0.93%	25.49%
Consumer Staples	0.18%	-2.92%	-2.92%	-7.55%
Energy	4.52%	-1.12%	-1.12%	4.84%
Financials	0.48%	0.07%	0.07%	-1.58%
Health Care	0.17%	1.14%	1.14%	-3.00%
Industrials	1.00%	0.41%	0.41%	4.93%
Info Technology	0.17%	3.14%	3.14%	38.95%
Materials	-0.41%	-1.15%	-1.15%	1.43%
Real Estate	2.37%	0.81%	0.81%	-4.68%
Communication Svcs	-0.21%	3.02%	3.02%	44.67%
Utilities	3.61%	0.60%	0.60%	-13.90%

Bond Yields

	10/13/23	9/30/23	9/30/23	12/31/22
3Mo Libor	5.66%	5.66%	5.66%	4.77%
SOFR 3Mo Swap	5.39%	5.39%	5.39%	4.59%
2Yr Treasury	5.04%	5.03%	5.03%	4.41%
10Yr Treasury	4.63%	4.59%	4.59%	3.88%
2-10 Slope	-0.41%	-0.44%	-0.44%	-0.53%

Commodities and Currency

	10/13/23	9/30/23	9/30/23	12/31/22
Oil (\$/barrel)	87.69	90.79	90.79	80.26
Gold (\$/oz.)	1932.82	1848.63	1848.63	1824.02

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.