

Weekly Market Update



Market Data as of Week Ending: 9/22/2023 unless noted otherwise

Equities ended the week lower as investors digested hawkish sentiment from Thursday's Federal Reserve meeting and considered compounding economic threats. Beyond higher interest rates, oil prices remain elevated, with WTI ending the week at \$91.13/barrel, the United Auto Workers continue to strike, and a government shutdown appears likely. Value stocks outperformed growth for the week, while large cap outperformed small cap. Defensive sectors outperformed as investors maintained a risk-off sentiment. Developed foreign markets were negative for the week as European central banks remain hawkish and the Bank of Japan maintains its dovish stance. Emerging markets returned -2.09% for the week, boosted by outperformance in Chinese markets.

U.S. Treasury yields reached cycle highs last week. In response to Thursday's Federal Reserve meeting, the 10-year rate ended the week at 4.44% and the 30-year rate at 4.53%. Money market rates were unchanged for the week, which led to less inversion in the yield curve, with the 2-10-year slope contracting to -.66%. Higher long-term rates contributed to the underperformance of long-duration bonds. Corporates outperformed Government and High Yield. Yields for U.S. Corporates edged higher to 5.88%, while High Yield increased to 8.82%. Mortgage rates remain elevated, with 30-year-fixed ending the week at 7.39%.

New economic data was light last week, so all eyes were on the Fed. As expected, the Federal Reserve voted to keep short-term rates unchanged and projected one more rate hike by the end of the year. However, the Summary of Economic Projections was updated and reduced the projected amount of 2024 rate cuts and indicated higher than expected 2025 rates. Privately-owned housing starts in August dropped 11.3% vs. July's revised estimate and was the lowest since June 2020. Building permits increased 6.9% from July but were 14.8% below the August 2022 rate. Existing home sales dropped 0.7% in August, with sales dropping 15.3% from one year ago. The median existing-home sales price increased 3.9% from one year ago to \$407,100. Initial jobless claims dropped to 201,000 and continue to signal a strong labor market. S&P Global US Composite PMI edged lower to 50.1, a 7-month low.

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

	Value	Week Core	Growth	Value	MTD Core	Growth	Value	QTD Core	Growth	Value	YTD Core	Growth
Large	-2.56%	-2.98%	-3.35%	-2.97%	-4.15%	-5.18%	-2.27%	-2.58%	-2.86%	2.74%	13.67%	25.32%
Mid	-2.99%	-3.07%	-3.24%	-4.73%	-4.96%	-5.53%	-4.10%	-4.62%	-5.88%	0.92%	3.98%	9.12%
Small	-3.69%	-3.81%	-3.93%	-5.70%	-6.40%	-7.14%	-3.46%	-5.65%	-7.86%	-1.04%	1.98%	4.63%

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

	Short	Week Interm	Long	Short	MTD Interm	Long	Short	QTD Interm	Long	Short	YTD Interm	Long
Govt	-0.12%	-0.24%	-1.54%	-0.43%	-0.82%	-4.61%	0.12%	-0.66%	-9.25%	1.09%	0.44%	-5.87%
Corp	-0.08%	-0.22%	-0.58%	-0.41%	-0.89%	-2.74%	0.36%	-0.48%	-4.76%	2.12%	1.84%	-0.12%
HY	-0.43%	-0.65%	-0.85%	-0.35%	-0.75%	-1.22%	1.41%	0.91%	-0.05%	6.48%	6.35%	5.11%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-2.91%	-4.08%	-2.58%	13.88%
S&P MidCap 400	-2.79%	-5.56%	-4.51%	3.93%
Russell 2000	-3.81%	-6.40%	-5.65%	1.98%
MSCI EAFE	-2.04%	-2.02%	-2.72%	8.63%
MSCI Emerging Markets	-2.09%	-1.49%	-1.80%	3.00%
MSCI EAFE Small Cap	-1.83%	-3.16%	-2.23%	3.17%
Fixed Income (Bonds)				
Bloomberg Int Gov/Credit	-0.23%	-0.84%	-0.60%	0.89%
Bloomberg US Agg	-0.50%	-1.59%	-2.29%	-0.24%
Bloomberg US High Yield	-0.65%	-0.76%	0.89%	6.31%
Other				
Bloomberg Commodity	-1.06%	0.51%	5.98%	-2.27%
S&P Dev Property	-3.86%	-4.37%	-3.59%	-2.09%

Commodities and Currency

	9/22/23	8/31/23	6/30/23	12/31/22
Oil (\$/barrel)	91.13	83.63	70.64	80.26
Gold (\$/oz.)	1925.23	1940.19	1919.35	1824.02

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-6.34%	-5.73%	-4.55%	27.01%
Consumer Staples	-1.78%	-2.60%	-4.07%	-2.84%
Energy	-2.33%	1.30%	10.77%	4.65%
Financials	-2.79%	-1.61%	0.43%	-0.10%
Health Care	-1.16%	-1.88%	-1.57%	-3.03%
Industrials	-2.68%	-5.55%	-4.74%	4.96%
Info Technology	-2.61%	-6.80%	-5.56%	34.83%
Materials	-3.64%	-5.01%	-4.99%	2.36%
Real Estate	-5.31%	-5.92%	-7.60%	-4.10%
Communication Svcs	-3.22%	-3.25%	3.09%	40.45%
Utilities	-1.70%	1.39%	-2.51%	-8.05%

Bond Yields

	9/22/23	8/31/23	6/30/23	12/31/22
3Mo Libor	5.66%	5.66%	5.55%	4.77%
SOFR 3Mo Swap	5.38%	5.40%	5.26%	4.59%
2Yr Treasury	5.10%	4.85%	4.87%	4.41%
10Yr Treasury	4.44%	4.09%	3.81%	3.88%
2-10 Slope	-0.66%	-0.76%	-1.06%	-0.53%

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