



WEEKLY MARKET SNAPSHOT

Week Ended | Friday, January 20, 2023

MARKET COMMENTARY

Global equities declined 0.3% last week. U.S. stocks fell 0.7%, developed international equities were unchanged and emerging market stocks rose 0.6%. Year-to-date, global equities have gained 5.2% with domestics (+3.7%), developed international (+7.1%) and emerging markets (+8.4%). Bonds rose 0.2% for the week, up 2.1% year-to-date. The U.S. 10-yr Treasury yield fell 2 bps to 3.48%.

The S&P 500 posted its first down week of 2023 falling 0.6% amid mixed earnings results and ongoing concern about the prospect of a recession. As fourth quarter earnings season progresses, analysts have been scaling back expectations for 2023. Earnings forecasts for the first and second quarters have recently flipped from modest year-over-year growth to modest year-over-year declines, though consensus expectations still call for full year earnings growth of about 4%. Partisan brinkmanship over the nation's debt ceiling caught investors' attention as Democratic and Republican leaders remained at odds. On Thursday, the Treasury department began taking special measures to meet debt obligations, though policymakers likely have until the third quarter before facing an actual prospect of default. U.S. retail sales fell by more than forecast in December (-1.1% month-over-month vs. -0.9% expected) with a real year-over-year decline of 0.5%. While retail sales declines can be a leading indicator of a recession, softness is also an indication that Fed efforts to reduce consumer demand, and in turn inflation, are having an impact.

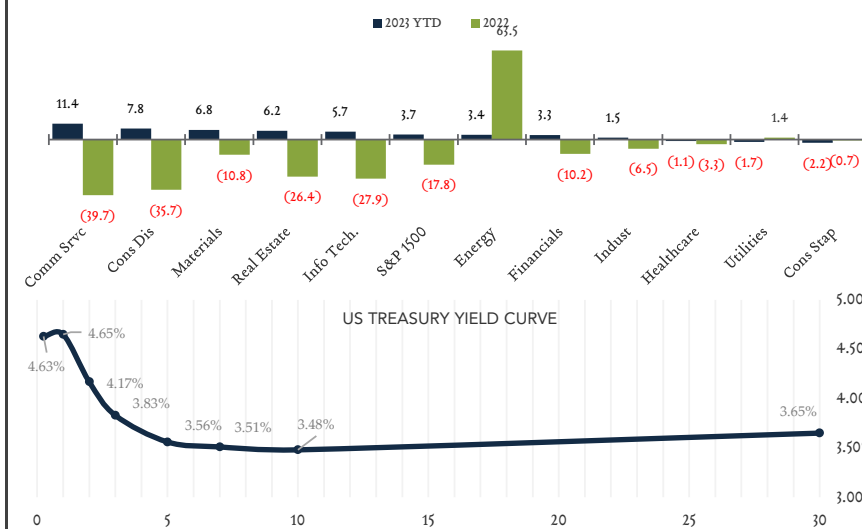
Earnings season continues in the week ahead, while Thursday brings an initial look at fourth quarter GDP and a reading of PCE – the Fed's preferred inflation measure. Economist forecasts call for annual GDP growth of around 2.0% in the fourth quarter and December PCE of 4.4%, down from 4.7% in November.

One Week To Date To Date To Date To Date One Year Three Years Five Years

TOTAL RETURNS (%)

GLOBAL STOCKS	PRICE	(0.3)	5.2	5.2	5.2	(10.7)	4.9	5.2
US Stocks	910.6	(0.7)	3.7	3.7	3.7	(9.3)	7.8	8.8
Developed International	7047.7	0.0	7.1	7.1	7.1	(7.8)	2.9	1.9
Emerging Markets	526.8	0.6	8.4	8.4	8.4	(15.0)	(1.0)	(1.0)
DOMESTIC STOCKS	PRICE	(0.7)	3.7	3.7	3.7	(9.3)	7.8	8.8
Large Cap	3972.6	(0.6)	3.5	3.5	3.5	(9.9)	7.8	9.1
Large Cap Value	1492.6	(1.5)	4.1	4.1	4.1	0.5	7.2	7.6
Large Cap Growth	2430.4	0.2	3.0	3.0	3.0	(19.6)	6.9	9.6
Mid Cap	2558.5	(0.9)	5.3	5.3	5.3	(1.5)	8.5	6.9
Small Cap	1223.4	(1.2)	5.7	5.7	5.7	(4.4)	7.1	6.1
DOMESTIC FIXED INCOME	YIELD	0.2	2.1	2.1	2.1	(5.8)	(1.2)	1.0
1-5 Year: Treasuries	4.01	0.2	1.0	1.0	1.0	(3.5)	(0.5)	0.9
IG Corps	4.88	0.3	1.4	1.4	1.4	(4.0)	(0.0)	1.7
Municipals	2.48	0.3	1.3	1.3	1.3	(1.4)	0.1	1.2
5-10 Year: Treasuries	3.52	0.2	2.7	2.7	2.7	(8.1)	(1.8)	0.9
IG Corps	4.95	0.4	3.4	3.4	3.4	(9.1)	(1.5)	1.8
Municipals	2.53	0.6	2.6	2.6	2.6	(2.8)	0.1	2.0
10+ Year: Treasuries	3.75	(0.2)	5.5	5.5	5.5	(20.6)	(5.7)	(0.4)
IG Corps	5.17	(0.2)	5.9	5.9	5.9	(17.4)	(4.3)	0.7
Municipals	3.68	0.7	4.1	4.1	4.1	(7.2)	(0.5)	2.0
High Yield	8.19	(0.3)	3.6	3.6	3.6	(7.0)	0.7	2.7
High Yield Muni	5.42	0.7	3.3	3.3	3.3	(6.3)	1.1	3.9

S&P 1500 | GICS SECTORS | TOTAL RETURN



PRICE CHANGES (%)

CURRENCIES/COMMODITIES	PRICE	(0.2%)	0.0%	(1.5%)	(1.5%)	6.6%	1.5%	2.4%
US Dollar	102.0	(0.2%)	0.0%	(1.5%)	(1.5%)	6.6%	1.5%	2.4%
Crude Oil (WTI)	81.3	1.8%	0.0%	1.3%	1.3%	(6.4%)	11.6%	5.1%
Gold	1926.1	0.3%	0.0%	5.6%	5.6%	4.7%	7.3%	7.7%
Industrial Metals	176.4	1.7%	0.0%	6.7%	6.7%	(4.9%)	14.9%	5.3%

COMING THIS WEEK

EVENT	DATE	TIME	PERIOD	CONSENSUS EXP.
Markit US Flash PMI	1/24/2023	9:45 AM	Jan	46.95
US Initial Jobless Claims	1/26/2023	8:30 AM	21-Jan	0.212 M
US Durable Goods New Orders	1/26/2023	8:30 AM	Dec	2.90%
US GDP QoQ	1/26/2023	8:30 AM	4Q	2.50%
US PCE (Inflation)	1/26/2023	8:30 AM	4Q	3.90%
UofM Consumer Confidence	1/27/2023	10:00 AM	Jan	64.60
US Pending Home Sales YoY	1/27/2023	10:00 AM	Dec	0.00%



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DATA SOURCES

Source: Bloomberg Finance L.P.; Global stocks = MSCI ACWI Index; US Stocks = S&P 1500 Composite Index; Developed International = MSCI EAFE Index; Emerging Markets = MSCI Emerging Markets Index; Large Cap Stocks = S&P 500 Index; Large Cap Value = S&P 500 Value Index; Large Cap Growth = S&P 500 Large Cap Growth Index; Mid Cap = S&P 400 Index; Small Cap = S&P 600 Index; Domestic Fixed Income = ICE BofA 1-10 Year US Broad Market Index; 1-5 Year Treasuries = ICE BofA 1-5 Year US Treasury Index; 1-5 Year IG Corps = ICE BofA 1-5 Year US Corporate Index; 1-5 Year Municipals = ICE BofA 1-5 Year US Muni Index; 5-10 Year Treasuries = ICE BofA 5-10 Year US Treasury Index; 5-10 Year IG Corps = ICE BofA 5-10 Year US Corporate Index; 5-10 Year Municipals = ICE BofA 5-10 Year US Muni Index; 10+ Year Treasuries = ICE BofA 10+ Year US Treasury Index; 10+ Year IG Corps = ICE BofA 10+ Year US Corporate Index; 10+ Year Municipals = ICE BofA 10+ Year US Muni Index; High Yield = ICE BofA US High Yield Index; High Yield Muni = ICE BofA US Municipal High Yield Securities Index; US Dollar = US Dollar Index Spot Rate; Crude Oil (WTI) = Generic 1st Crude Oil, WTI; Gold = Gold Spot \$/Oz Curncy; Industrial Metals = Bloomberg Industrial Metals Subindex; Info Tech. = S&P Supercomposite Information Technology Sector GICS Level 1 Index; Healthcare = S&P Supercomposite Health Care Sector GICS Level 1 Index; Real Estate = S&P Supercomposite Real Estate Sector GICS Level 1 Index; Utilities = S&P Supercomposite Utilities Sector GICS Level 1 Index; Cons Stap = S&P Supercomposite Consumer Staples Sector GICS Level 1 Index; S&P 1500 = S&P 1500 Composite Index; Indust = S&P Supercomposite Industrials Sector GICS Level 1 Index; Materials = S&P Supercomposite Materials Sector GICS Level 1 Index; Financials = S&P Supercomposite Financials Sector GICS Level 1 Index; Cons Dis = S&P Supercomposite Consumer Staples Sector GICS Level 1 Index; Comm Srvc = S&P Supercomposite Communication Services Sector GICS Level 1 Index; Energy = S&P Supercomposite Energy Sector GICS Level 1 Index

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