



# Weekly Market Recap

## The week in review

- Case-Shiller U.S. HPI: -0.50% m/m

## The week ahead

- Mfg. and Services PMIs
- Light vehicle sales
- FOMC minutes

## Thought of the week

2022 was a difficult year for the public markets, as positive stock-bond correlations offered investors little to no protection against the macroeconomic backdrop of persistently high inflation, hawkish monetary policy and heightened geopolitical tensions. In terms of asset class performance, commodities led the way in 2022, as the conflict in Ukraine and only gradually improving supply chains boosted commodities prices.

Equities struggled in 2022, primarily due to higher rates compressing valuations and a weakening outlook for corporate earnings amid recessionary fears. U.S. large cap finished the year down 17.9%, while their small cap peers ended the year down 20.2%. REITs, which had a stellar 2021, felt the pain of tighter monetary policy and declined over 20%, as the demand for real estate cools.

In the international markets, DM equity and EM equity declined 13.5% and 19.6%, respectively. The conflict in Ukraine continues to weigh heavily on the European markets, with the UK officially entering a recession and the European Union expected to do so in 2023. Furthermore, the Bank of Japan's surprise rate hike announcement in early December added further pressure in developed markets. Turning to emerging markets, China continues to dominate the headlines. While policy officials have recently eased COVID-19 restrictions, the country remained in lockdown for most of 2022.

Lastly, similar to equities, the bond markets felt the pressure of higher interest rates. U.S. fixed income markets finished the year down, as the Federal Reserve holds steady with its hawkish policy stance. Global high yield finished the year down as well, primarily due to a flight to quality and an increase in downgrades.

Please see important disclosures on next page.

## Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	3840	-0.11	7.56	-18.11	-18.32	25.16
Dow Jones 30	33147	-0.17	16.01	-6.86	-7.02	23.93
Russell 2000	4377	0.08	6.23	-20.44	-20.56	9.88
Russell 1000 Growth	1427	-0.33	2.20	-29.14	-29.51	25.53
Russell 1000 Value	924.50	0.17	12.42	-7.54	-7.54	19.41
MSCI EAFE	1944	0.07	17.40	-14.01	-13.96	4.12
MSCI EM	956.38	0.34	9.79	-19.74	-19.13	-7.17
NASDAQ	10466	-0.28	-0.79	-32.54	-32.95	19.81

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.68	-0.65	1.87	-13.01	-12.88	-8.00
U.S. Corporates	5.42	-0.72	3.63	-15.76	-15.60	-8.51
Municipals (10yr)	3.11	-0.16	4.49	-6.57	-6.58	-0.38
High Yield	8.99	-0.93	4.17	-11.19	-11.19	0.17

Key Rates	Levels (%)					
	12/30/22	12/23/22	9/30/22	12/31/21	12/30/21	12/30/19
2-yr U.S. Treasuries	4.41	4.31	4.22	0.73	0.73	1.58
10-yr U.S. Treasuries	3.88	3.75	3.83	1.52	1.52	1.90
30-yr U.S. Treasuries	3.97	3.82	3.79	1.90	1.93	2.34
10-yr German Bund	2.53	2.38	2.13	-0.18	-0.19	-0.18
3-mo. LIBOR	4.77	4.73	3.75	0.21	0.21	1.91
3-mo. EURIBOR	2.13	2.14	1.17	-0.57	-0.57	-0.39
6-mo. CD rate	1.80	1.80	0.97	0.14	0.14	0.78
30-yr fixed mortgage	6.34	6.34	6.75	3.33	3.31	3.95
Prime Rate	7.50	7.50	6.25	3.25	3.25	4.75

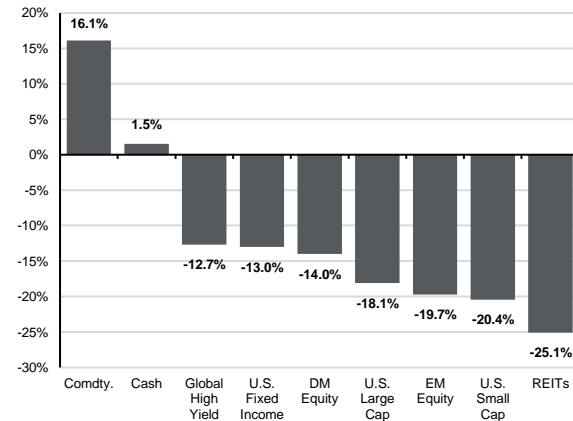
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
16.65	3.73	1.66	32133	
16.63	4.37	2.08	9429	
19.08	1.85	1.37	2266	
21.14	8.67	1.03	17099	
13.95	2.34	2.17	18326	
12.08	1.58	3.20	14239	
11.65	1.55	3.37	6318	
22.37	4.47	0.96	16958	

Currencies	Levels		
	12/30/22	12/31/21	12/30/21
\$ per €	1.07	1.14	1.13
\$ per £	1.20	1.35	1.35
¥ per \$	131.95	115.16	115.16

Commod.	Levels		
	12/30/22	12/31/21	12/30/21
Oil (WTI)	78.40	75.33	76.83
Gasoline	3.09	3.28	3.28
Natural Gas	4.56	3.82	3.82
Gold	1814	1806	1806
Silver	23.95	23.09	22.77
Copper	8387	9692	9715
Corn	6.14	5.86	5.86
BBG Idx	245.89	211.80	212.36

## Chart of the Week

2022 asset class returns  
Total returns, U.S. dollar



## Style Returns

	V			B			G		
	L	M	S	L	M	S	L	M	S
1 Week	0.2	-0.1	-0.3	-0.1	-0.1	0.0	0.0	0.1	0.1
YTD	-7.5	-18.1	-29.1	-12.0	-17.3	-26.7	-14.5	-20.4	-26.4

## S&P 500 Sector Returns

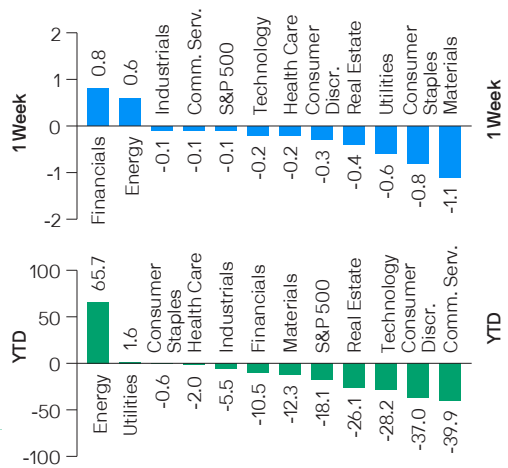




Chart of the Week: Source: Bloomberg, FactSet, MSCI, NAREIT, FTSE Russell, Standard and Poor's and J.P. Morgan Asset Management.

Thought of the week: Source: Bloomberg, FactSet, MSCI, NAREIT, FTSE Russell, Standard and Poor's and J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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