

Weekly Market Recap

The week in review

- Trade balance widened to -\$70.5 billion
- Construction spending decreased -0.10% m/m

The week ahead

- CPI
- Retail sales
- PPI

Thought of the week

The U.S. economy started 2023 strongly, with many analysts tracking positive real GDP growth for 1Q23. However, as we show in this week's chart, since late March, the economic data have disappointed and are pointing toward waning momentum in the U.S. economy. As such, the Atlanta Fed's GDPNow model is currently forecasting 1Q23 GDP growth of 1.5% (SAAR), down from its peak estimate of 3.5% in March.

Last week, the March ISM manufacturing and services PMIs provided a timely read on the outlook for growth. The headline manufacturing reading declined to 46.3, the lowest reading since May 2020, due to decreases in new orders, inventories and employment. Meanwhile, the headline services PMI decreased to 51.2 but remained above the key level of 50, with new orders, business activity and prices seeing notable declines. Switching to the labor market, according to the February JOLTS report, job openings fell 6% to 9.9 million but remain well above the pre-pandemic trend. Furthermore, while total nonfarm quits did increase 3.8% m/m, we have seen a general downward trend in quits since they peaked in late 2021. Meanwhile, Friday's employment report echoed a similar message. The unemployment rate decreased to 3.5% in March, well below the long-term average of 6.2%. However, total nonfarm employment only grew by 236k, a notable deceleration from the prior month, and wage growth decelerated to 4.2% y/y.

Looking ahead, the question will be whether the Fed interprets these data points as meaningful evidence of economic cooling as they fight to bring inflation back down to 2%. That determination will dictate the forward path of monetary policy, which at a minimum could stay tighter for longer than the market expects.

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	4105	-0.07	-0.07	7.28	-7.27	59.41
Dow Jones 30	33485	0.67	0.67	1.44	-1.45	54.14
Russell 2000	4360	-2.65	-2.65	-0.09	-12.06	58.23
Russell 1000 Growth	1617	-0.64	-0.64	13.55	-9.86	59.34
Russell 1000 Value	928	0.05	0.05	0.88	-6.22	57.19
MSCI EAFE	2100	0.43	0.43	8.93	0.90	46.75
MSCI EM	984	-0.54	-0.54	3.40	-11.26	23.88
NASDAQ	12088	-1.08	-1.08	15.70	-12.42	55.25

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.22	1.12	1.12	4.11	-2.38	-7.16
U.S. Corporates	5.00	1.08	1.08	4.62	-3.08	-0.34
Municipals (10yr)	2.61	0.82	0.82	3.60	3.89	4.49
High Yield	8.61	0.08	0.08	3.65	-2.41	21.05

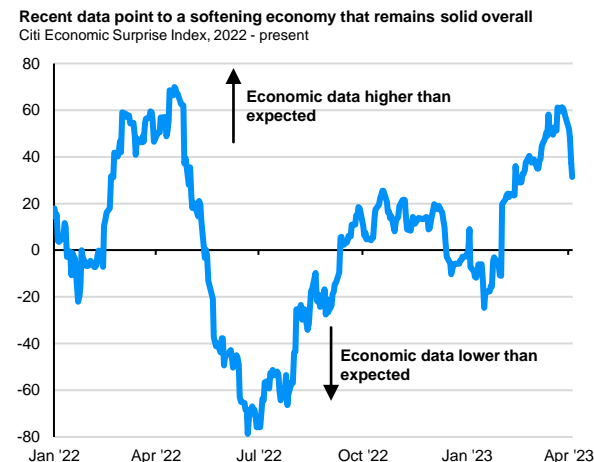
Key Rates	Levels (%)					
	4/6/23	3/31/23	3/31/22	12/30/22	4/6/22	4/6/20
2-yr U.S. Treasuries	3.82	4.06	4.06	4.41	2.50	0.27
10-yr U.S. Treasuries	3.30	3.48	3.48	3.88	2.61	0.67
30-yr U.S. Treasuries	3.54	3.67	3.67	3.97	2.63	1.27
10-yr German Bund	2.18	2.33	2.33	2.53	0.66	-0.43
3-mo. LIBOR	5.20	5.19	5.19	4.77	0.99	1.35
3-mo. EURIBOR	3.08	3.04	3.04	2.13	-0.46	-0.32
6-mo. CD rate	1.88	1.88	1.88	1.80	0.16	0.48
30-yr fixed mortgage	6.40	6.40	6.40	6.58	4.90	3.49
Prime Rate	8.00	8.00	8.00	7.50	3.50	3.25

Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
18.05	3.81	1.60	34306	
17.06	4.25	2.05	10354	
20.23	1.92	1.40	2232	
23.98	9.04	0.95	19328	
14.34	2.31	2.22	18354	
12.91	1.67	3.14	15379	
12.20	1.56	3.32	6522	
26.05	4.85	0.85	19532	

Currencies	Levels		
	4/6/23	12/30/22	4/6/22
\$ per €	1.09	1.07	1.09
\$ per £	1.24	1.20	1.31
¥ per \$	131.78	131.95	123.92

Commod.	Levels		
	4/6/23	12/30/22	4/6/22
Oil (WTI)	80.70	80.16	96.39
Gasoline	3.50	3.09	4.17
Natural Gas	2.01	3.52	6.29
Gold	2002	1814	1930
Silver	24.94	23.95	24.27
Copper	8836	8387	10351
Corn	6.10	6.14	7.42
BBG Idx	234.51	245.89	266.16

Chart of the Week



Style Returns

	V	B	G
L	0.1	-0.1	-0.6
M	-1.5	-1.9	-2.4
S	-2.6	-2.7	-2.7
	V	B	G
L	1.1	7.4	13.6
M	-0.2	2.1	6.5
S	-3.3	0.0	3.2

S&P 500 Sector Returns

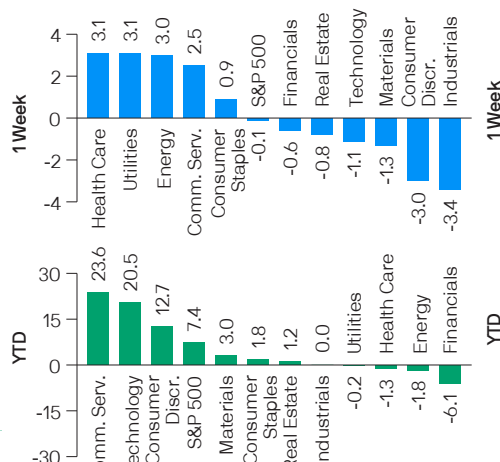




Chart of the Week: Source: FactSet, J.P. Morgan Asset Management.
Thought of the week: Source: FactSet, J.P. Morgan Asset Management.

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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