



Weekly Market Recap

The week in review

- Consumer confidence fell to 101.3
- Prelim. 1Q23 GDP came in below consensus at 1.1%
- Headline/Core PCE: 4.2%/4.6% y/y

The week ahead

- FOMC meeting
- JOLTS
- Mfg. and services PMIs
- Employment

Thought of the week

At the March meeting, 17 out of 18 FOMC participants believed the federal funds rate needs to be 25bps higher at the end of 2023 than its current target range of 4.75% to 5.00%. Going into this week's meeting, the question is whether enough has changed over the last six weeks to convince a sufficient share of voting members to change their mind. Following early March's regional bank stress, equity and bond market volatility has eased, while investors have gone from pricing in a 21% probability of a 25bps rate increase in May on March 13 to an 85% probability today. Economic data have been mixed, but the picture still broadly shows a resilient U.S. economy. Last week, 1Q GDP growth came in below consensus at a 1.1% annualized rate, with a sharp decline in inventory accumulation, continued contraction in housing and slowing business fixed investment, but strong 3.7% consumption growth. April's business surveys continue to show a divergence between weakness in manufacturing and strength in services. Turning to the labor market, March's jobs report showed job creation slowing but to a still strong 236,000, with ongoing moderation in wage growth for all workers to 4.2% year-over-year. Meanwhile, the Fed's main inflation target, the headline PCE deflator, retreated to a year-over-year rate of 4.2% in March, down from a peak of 7.0% year-over-year last June. Still, with market volatility subsiding, real economic growth resilient and wages and inflation still elevated, it seems likely the Fed will deliver another 25bps hike this week. The question now is whether this will be the last one, and more importantly, when rate cuts might begin.

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 | 4169 | 0.89 | 1.56 | 9.17 | -1.05 | 52.77 |
| Dow Jones 30 | 34098 | 0.86 | 2.57 | 3.53 | 2.72 | 50.41 |
| Russell 2000 | 4396 | -1.24 | -1.80 | 0.89 | -6.35 | 41.48 |
| Russell 1000 Growth | 1643 | 1.14 | 0.99 | 15.49 | -2.05 | 51.01 |
| Russell 1000 Value | 941 | 0.32 | 1.51 | 2.53 | -1.75 | 49.91 |
| MSCI EAFE | 2144 | 0.17 | 2.93 | 11.80 | 10.17 | 42.83 |
| MSCI EM | 977 | -0.27 | -1.11 | 2.86 | -4.09 | 17.66 |
| NASDAQ | 12227 | 1.28 | 0.07 | 17.12 | -4.15 | 45.41 |

| Fixed Income | Yield | Levels (%) | | | | |
|-------------------|-------|------------|-------|------|--------|------------|
| | | 1 week | QTD | YTD | 1 year | 3-yr. Cum. |
| U.S. Aggregate | 4.35 | 0.83 | 0.61 | 3.59 | -0.93 | -9.12 |
| U.S. Corporates | 5.10 | 0.87 | 0.77 | 4.29 | 0.02 | -5.77 |
| Municipals (10yr) | 2.88 | 0.08 | -0.23 | 2.53 | 4.82 | 3.18 |
| High Yield | 8.55 | 0.49 | 1.00 | 4.60 | 0.73 | 15.69 |

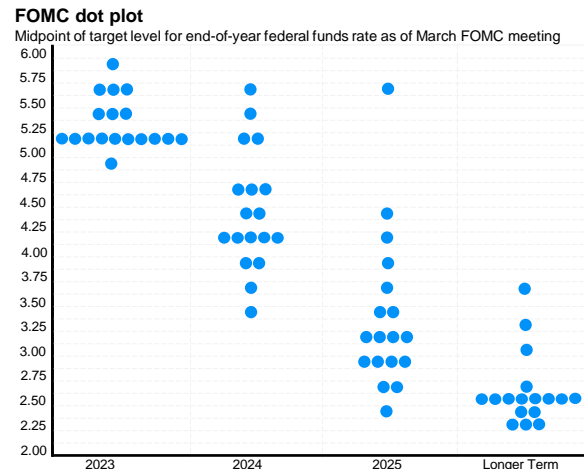
| Key Rates | Levels (%) | | | | | |
|-----------------------|------------|---------|---------|----------|---------|---------|
| | 4/28/23 | 4/21/23 | 3/31/23 | 12/30/22 | 4/28/22 | 4/28/20 |
| 2-yr U.S. Treasuries | 4.04 | 4.17 | 4.06 | 4.41 | 2.63 | 0.20 |
| 10-yr U.S. Treasuries | 3.44 | 3.57 | 3.48 | 3.88 | 2.85 | 0.62 |
| 30-yr U.S. Treasuries | 3.67 | 3.78 | 3.67 | 3.97 | 2.92 | 1.20 |
| 10-yr German Bund | 2.35 | 2.48 | 2.33 | 2.53 | 0.90 | -0.47 |
| 3-mo. LIBOR | 5.30 | 5.26 | 5.19 | 4.77 | 1.29 | 0.76 |
| 3-mo. EURIBOR | 3.27 | 3.26 | 3.04 | 2.13 | -0.44 | -0.23 |
| 6-mo. CD rate | 1.89 | 1.86 | 1.88 | 1.80 | 0.28 | 0.44 |
| 30-yr fixed mortgage | 6.55 | 6.55 | 6.40 | 6.58 | 5.37 | 3.43 |
| Prime Rate | 8.00 | 8.00 | 8.00 | 7.50 | 3.50 | 3.25 |

| Index Characteristics | Levels | | | |
|-----------------------|---------|------|-----------|---------------|
| | NTM P/E | P/B | Div. Yld. | Mkt. Cap (bn) |
| | 18.22 | 3.81 | 1.60 | 34845 |
| | 17.22 | 4.24 | 2.02 | 10612 |
| | 20.21 | 1.90 | 1.40 | 2249 |
| | 24.15 | 9.01 | 0.95 | 19634 |
| | 14.49 | 2.31 | 2.22 | 18605 |
| | 13.15 | 1.68 | 3.11 | 15688 |
| | 12.12 | 1.55 | 3.33 | 6474 |
| | 26.00 | 4.85 | 0.86 | 19751 |

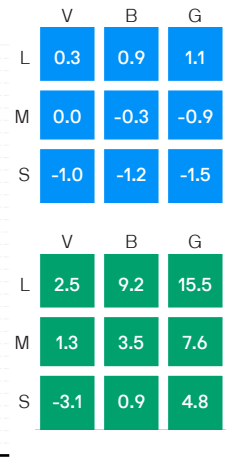
| Currencies | Levels | | |
|------------|---------|----------|---------|
| | 4/28/23 | 12/30/22 | 4/28/22 |
| \$ per € | 1.10 | 1.07 | 1.05 |
| \$ per £ | 1.26 | 1.20 | 1.24 |
| ¥ per \$ | 136.17 | 131.95 | 131.02 |

| Commod. | Levels | | |
|-------------|---------|----------|---------|
| | 4/28/23 | 12/30/22 | 4/28/22 |
| Oil (WTI) | 74.76 | 80.16 | 105.47 |
| Gasoline | 3.66 | 3.09 | 4.11 |
| Natural Gas | 2.36 | 3.52 | 6.97 |
| Gold | 1983 | 1814 | 1889 |
| Silver | 24.77 | 23.95 | 23.16 |
| Copper | 8571 | 8387 | 9812 |
| Corn | 6.10 | 6.14 | 8.01 |
| BBG Idx | 230.96 | 245.89 | 276.25 |

Chart of the Week



Style Returns



S&P 500 Sector Returns

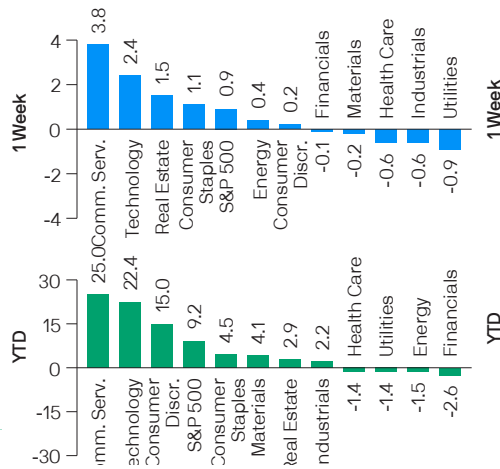




Chart of the Week: Source: Federal Reserve, J.P. Morgan Asset Management.

Thought of the week: Source: Federal Reserve, 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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