

Weekly Market Recap

The week in review

- 1Q23 real GDP (final est.): +2.0% q/q SAAR
- Headline/core PCE: +3.8%/+4.6% y/y
- Real consumer spending: +0.5% m/m

The week ahead

- Mfg./services PMIs
- Employment & JOLTS

Thought of the week

Stocks and bonds have had a strong start to the year due to resilient economic data, a bounce back in profit margins and a moderation in the market's expectations for interest rates. That being said, while stocks and bonds have improved from their lows of 2022, commodities finished 1H23 down due to cooling energy prices and weakening global manufacturing demand.

In terms of performance, U.S. large cap led the way, finishing 1H23 +15.5%. However, despite the rally, returns have been entirely driven by the market's largest stocks, with the top 10 companies in the S&P 500 accounting for over 95% of the index's YTD performance. Elsewhere, U.S. small caps lagged behind their large cap peers in 1H23 due to the lower quality of earnings and their greater exposure to cyclical sectors, which have underperformed this year.

In the international markets, DM and EM increased 11.2% and 4.8%, respectively, in 1H23, as a weaker U.S. dollar and strong economic data in both regions buoyed returns. Some of this momentum, however, did wane toward the end of quarter in EM, as recent economic data from China have disappointed relative to expectations.

Lastly, U.S. fixed income increased 1.8% in 1H23 due to a moderation in interest rates. Within the fixed income universe, global high yield performed well, as better than expected earnings have supported credit quality. While the default rate and downgrades-to-upgrades have increased, they both still remain below long-term averages.

Looking ahead, investors should continue to be active and diversified, as the stock market's narrow breadth, weakening expectations for forward earnings and the possibility of further rate hikes from the Fed could weigh on markets in the quarters ahead.
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	4450	2.36	8.74	16.89	19.59	50.51
Dow Jones 30	34408	2.02	3.97	4.94	14.23	41.64
Russell 2000	4694	3.75	5.21	8.09	12.31	36.11
Russell 1000 Growth	1832	2.18	12.81	29.02	27.11	47.12
Russell 1000 Value	961	2.87	4.07	5.12	11.54	49.33
MSCI EAFE	2132	1.67	3.22	12.13	19.41	31.21
MSCI EM	989	0.00	1.04	5.10	2.22	8.37
NASDAQ	13788	2.20	13.05	32.32	26.14	40.28

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.81	-0.26	-0.84	2.09	-0.94	-11.43
U.S. Corporates	5.48	0.15	-0.29	3.21	1.55	-9.98
Municipals (10yr)	3.07	-0.04	-0.59	2.16	4.03	-0.68
High Yield	8.58	0.83	1.75	5.38	9.06	9.70

Key Rates	Levels (%)					
	6/30/23	6/23/23	3/31/23	12/30/22	6/30/22	6/30/20
2-yr U.S. Treasuries	4.87	4.71	4.06	4.41	2.92	0.16
10-yr U.S. Treasuries	3.81	3.74	3.48	3.88	2.98	0.66
30-yr U.S. Treasuries	3.85	3.82	3.67	3.97	3.14	1.41
10-yr German Bund	2.41	2.34	2.33	2.53	1.38	-0.48
3-mo. LIBOR	5.53	5.54	5.19	4.77	2.29	0.30
3-mo. EURIBOR	3.58	3.61	3.04	2.13	-0.20	-0.42
6-mo. CD rate	2.14	2.06	1.88	1.80	0.42	0.35
30-yr fixed mortgage	6.75	6.75	6.40	6.58	5.84	3.29
Prime Rate	8.25	8.25	8.00	7.50	4.75	3.25

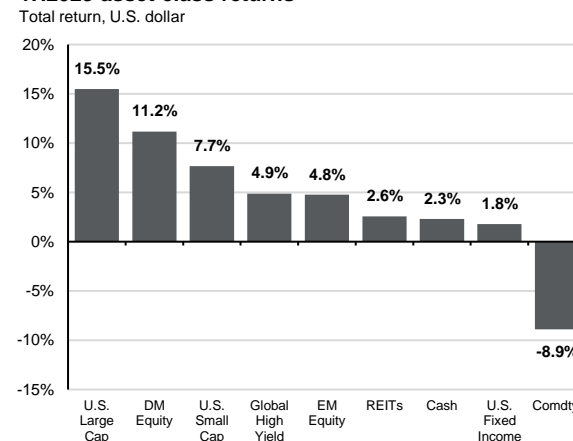
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
19.13	3.93	1.51	37162	
17.16	4.23	2.00	11201	
21.23	1.89	1.44	2371	
27.01	9.89	0.72	21632	
14.48	2.30	2.30	19421	
13.12	1.69	2.96	15565	
12.36	1.56	2.65	6689	
27.88	5.16	0.77	22129	

Currencies	Levels		
	6/30/23	12/30/22	6/30/22
\$ per €	1.09	1.07	1.05
\$ per £	1.27	1.20	1.21
¥ per \$	144.54	131.95	135.86

Commod.	Levels		
	6/30/23	12/30/22	6/30/22
Oil (WTI)	69.86	80.16	107.76
Gasoline	3.57	3.09	4.87
Natural Gas	2.70	3.52	6.54
Gold	1912	1814	1817
Silver	22.47	23.95	20.42
Copper	8210	8387	8245
Corn	6.10	6.14	8.04
BBG Idx	226.74	245.89	250.85

Chart of the Week

1H2023 asset class returns



Style Returns

	V			B			G		
	L	M	S	L	M	S	L	M	S
V	2.9	4.0	3.8	2.4	3.9	3.7	2.2	3.7	3.7
B	5.1	5.2	2.5	16.9	9.0	8.1	29.0	15.9	13.6
G	2.9	3.8	1.3	2.9	3.8	1.3	0.7	0.6	0.4

S&P 500 Sector Returns

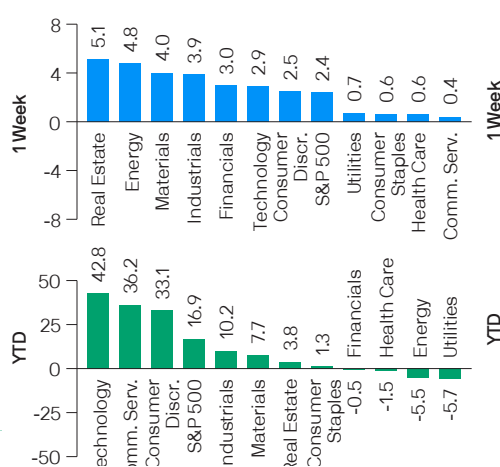




Chart of the Week: Source: Bloomberg, FactSet, FTSE Russell, MSCI, NAREIT, Standard and Poor's, J.P. Morgan Asset Management.

Thought of the week: Source: Bloomberg, FactSet, FTSE Russell, MSCI, NAREIT, Standard and Poor's, 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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