

Weekly Market Recap

The week in review

- Headline/ core PCE: 3.5%/ 3.9% y/y
- Headline/ core durable goods orders: 0.2%/ 0.4% m/m

The week ahead

- PMIs
- Employment & JOLTS

Thought of the week

Resilient economic activity during the third quarter helped spur excitement for a “soft-landing” of the U.S. economy. However, the quarter was less exciting for financial markets, which struggled as investors re-positioned for higher rates for longer. In fact, of the nine asset classes shown in the chart of the week, only two saw positive gains.

Commodities had a strong quarter, finishing up 4.7%. This gain can be attributed to higher energy prices, which jumped as supply cuts from Russia and Saudi Arabia raised concerns of an imbalance in the oil market. The U.S. fixed income market struggled as yields climbed (10-yr yields +73bps QTD) to their highest levels since 2007 due to continued hawkishness from the Fed on the back of strong economic data and hefty supply coming to market. However, resilient earnings and a slight moderation in default rates helped spare global high yield from the broader market sell-off. Within the U.S. equity market, large and small caps were down, as the AI driven rally earlier in the quarter left valuations stretched and proved to be unsustainable. Additionally, while earnings came in stronger than expected, corporate guidance was pessimistic. In international markets, a stronger U.S. dollar and weakening growth in Europe and China weighed on returns, with DM and EM equities down by 4.0% and 2.8%, respectively. However, India and Japan were bright spots, with both countries outperforming their respective indices.

Moving forward, as economic tailwinds fade and headwinds build along with tighter monetary policy, investors should continue to diversify. Moreover, some asset classes still look expensive despite this quarter’s sell-off, and investors should use active management to lean into underappreciated asset markets.

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	4288	-0.71	0.00	13.07	19.79	34.75
Dow Jones 30	33508	-1.34	0.00	2.73	17.14	29.68
Russell 2000	4436	0.55	0.00	2.54	8.27	23.32
Russell 1000 Growth	1771	-0.27	0.00	24.98	25.58	26.94
Russell 1000 Value	925	-0.92	0.00	1.79	13.14	38.00
MSCI EAFE	2031	-1.40	0.00	7.59	26.78	19.24
MSCI EM	953	-1.13	0.00	2.16	12.49	-2.78
NASDAQ	13219	0.07	0.00	27.11	24.21	22.04

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	5.39	-0.96	0.00	-1.21	0.34	-14.94
U.S. Corporates	6.04	-1.18	0.00	0.02	3.63	-14.27
Municipals (10yr)	3.97	-1.40	0.00	-1.57	2.87	-5.60
High Yield	8.98	-0.42	0.00	5.86	10.47	5.67

Key Rates	Levels (%)					
	9/29/23	9/22/23	9/29/23	12/30/22	9/29/22	9/29/20
2-yr U.S. Treasuries	5.03	5.10	5.03	4.41	4.16	0.11
10-yr U.S. Treasuries	4.59	4.44	4.59	3.88	3.76	0.66
30-yr U.S. Treasuries	4.73	4.53	4.73	3.97	3.71	1.41
10-yr German Bund	2.82	2.74	2.82	2.53	2.23	-0.54
3-mo. LIBOR	5.66	5.66	5.66	4.77	3.74	0.23
3-mo. EURIBOR	3.95	3.96	3.95	2.13	1.16	-0.49
6-mo. CD rate	N/A	2.19	N/A	1.80	0.93	0.30
30-yr fixed mortgage	7.41	7.41	7.41	6.58	6.52	3.05
Prime Rate	8.50	8.50	N/A	7.50	6.25	3.25

Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
17.83	3.86	1.59	35938	
16.25	4.17	2.05	10458	
19.19	1.69	1.51	2220	
24.40	9.87	0.76	20918	
13.71	2.21	2.43	18646	
12.66	1.66	3.16	14767	
11.79	1.54	3.08	6523	
24.62	5.04	0.81	21371	

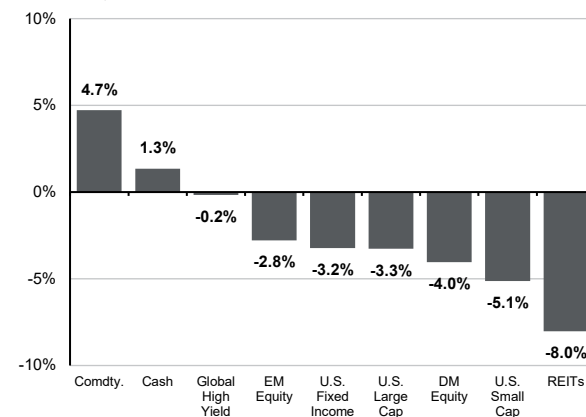
Currencies	Levels		
	9/29/23	12/30/22	9/29/22
\$ per €	1.06	1.07	0.98
\$ per £	1.22	1.20	1.10
¥ per \$	149.23	131.95	144.60

Commod.	Levels		
	9/29/23	12/30/22	9/29/22
Oil (WTI)	91.71	80.16	81.78
Gasoline	3.84	3.09	3.71
Natural Gas	2.95	3.52	6.57
Gold	1871	1814	1655
Silver	23.08	23.95	18.67
Copper	8231	8387	7661
Corn	6.10	6.14	6.45
BBG Idx	237.42	245.89	242.86

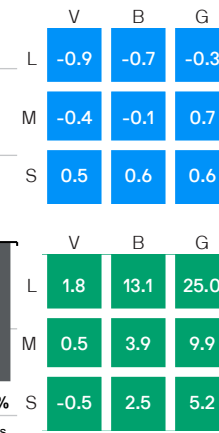
Chart of the Week

3Q2023 asset class returns

Total return, U.S. dollar



Style Returns



S&P 500 Sector Returns

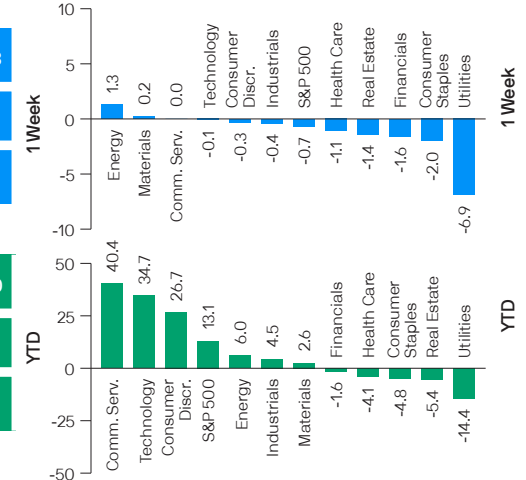




Chart of the Week: Source: Bloomberg, FactSet, MSCI, NAREIT, FTSE Russell, Standard and Poor's, J.P. Morgan Asset Management.

Thought of the week: Source: Bloomberg, FactSet, MSCI, NAREIT, FTSE Russell, 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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