



# Weekly Manager's Pulse

January 03, 2023

Most major indexes finished the holiday-shortened week, and the last week of 2022, lower. Almost every sector ended the week lower, with the exception of financials (+0.8%) and energy (+0.6%). Materials (-1.1%) and consumer staples (-0.8%) underperformed most for the week. Over the course of 2022, energy (+65.7%) was, by far, the best performing sector in the S&P 500, with utilities (1.6%) being the only other sector to not suffer losses. On the other hand, communication services (-39.9%), consumer discretionary (-37.0%), and technology (-28.2) underperformed most. Ultimately, the S&P 500 finished the week down -0.11%, and closed the year out -18.11% lower. Fixed Income also finished the week in the red, closing out a year of losses. The Bloomberg U.S. Aggregate Bond Index finished the week -0.65% lower, and the year -13.01% lower. Global sovereign yields mostly rose last week, with the 2-Year and 10-Year U.S. Treasury yields finishing the week, and year, at 4.41% and 3.88%, respectively. These yields are well above their 2021 year-end levels of 0.73% and 1.52%, respectively.



## Economic Review\*

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

## Spotlight:

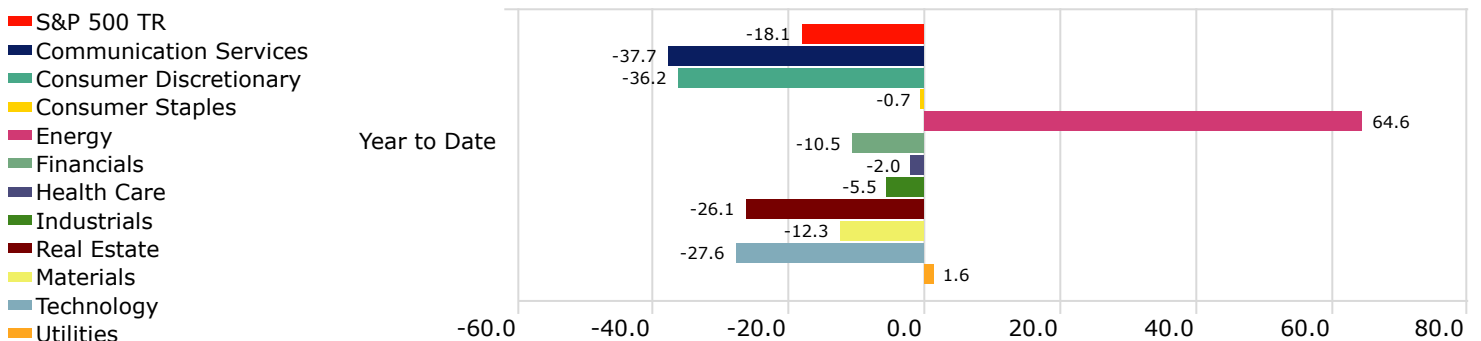


With increased interest in passive, low-cost investing, our Index PLUS models offer investors broad market exposure using lower cost, Passive holdings, which are then complemented with Tactical strategies. Working with two of the largest players in the index space, the Tactical strategies include an all-equity ESG strategy and a business-cycle sector rotation strategy, both of which remain fully invested in equities but tactically adjust allocations between various asset classes, sectors, or regions. Combining these Tactical strategies with a Passive allocation provides a twist on purely passive equity investing. We currently offer three models in the Index PLUS series that range from Moderate to Aggressive, purposely excluding Conservative and Moderate Conservative due to our belief that passive fixed income is not attractive in this low interest rate environment.

## Trailing Major Index Returns

	1 Week	1 Month	3 Month	1 Year
S&P 500	-0.11	-5.76	7.56	-18.32
S&P MidCap 400 TR	-0.13	-5.54	10.78	-12.97
S&P SmallCap 600 TR USD	-0.20	-6.71	9.19	-16.13
MSCI ACWI NR USD	-0.03	-3.93	9.76	-18.41
MSCI EM NR USD	0.30	-1.41	9.70	-19.49
Bloomberg US Agg Bond TR USD	-0.65	-0.45	1.87	-12.88

## YTD S&P Sector Returns





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## Disclosure

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The indices are presented as broad-based measures of the equity, fixed income and consumer markets. The indices are provided for comparative and illustrative purpose to provide a comparison of the model against the broader based equity, fixed income and consumer market. The indices are not intended to reflect the investment objectives of the model as the securities held within the model will differ in market volatility, concentration, investment objectives and diversification among others from those of the indices. The indices are not managed, and returns do not reflect the deduction of fees, expenses, transaction costs or taxes that actual client accounts are subject to. Investors cannot invest directly in an index. Returns are not annualized for periods less than 1 year.

Trailing Major Index Returns and YTD S&P Sector Returns are sourced from Morningstar Direct.

\* Sourced from JPMorgan Asset Management, publicly available at <https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/market-updates/weekly-market-recap/>

All other economic and market data sources may include, and is not limited to:

Edward Jones, publicly available at <https://www.edwardjones.com/us-en/market-news-insights/stock-market-news/stock-market-weekly-update>

Goldman Sachs, publicly available at <https://www.gsam.com/content/gsam/us/en/advisors/market-insights.html>

T. Rowe Price, publicly available at <https://www.troweprice.com/personal-investing/resources/insights/global-markets-weekly-update.html>