

JULY 10, 2023

# Weekly Wire

## Some New Headwinds

By Rusty Vanneman, CMT, CFA, BFA™

It may have been a holiday shortened trading week last week in the markets, but a few notable things happened. First, the yield on the [10-year Treasury](#) moved back above 4% for the first time since the beginning of March. It wouldn't take much for these yields to move back to last autumn's highs (which was also when the stock market bottomed). [If yields get above 4.27%](#), it will be the highest yield for the 10-year Treasury since 2007. This could become a headwind for the stock market. Another potential headwind, at least for the market leaders this year, is that [ChatGPT](#) traffic dropped 10% in traffic last month, it's first month of declining growth. It wasn't just ChatGPT, but other AI chatbots [also saw declines last month according to Similarweb](#). AI is here to stay, of course, but might this declining growth impact the enthusiasm for AI stocks? This is all happening when individual investor sentiment, at least according to the weekly survey of individual investors from [AAII](#), jumped up to its highest level of bullish sentiment since November 2021.

This week meanwhile, has some important numbers being released. First, [on the economic calendar](#) we have key inflation data on Wednesday and Thursday. While the headline inflation numbers should be the best they've been in some time, the core (ex-food and energy) numbers are expected to remain stubbornly high. In turn, the market [still expects a 90% chance](#) that the Federal Reserve will raise rates at their next meeting on July 26th. Next week also begins the [2Q23 earnings season](#) in earnest, including some major financial names. While the current expectation is that we'll see a third consecutive year-over-year negative reported earnings growth number, it is expected that operating earnings growth will turn positive. Now that's a plus. Stock prices follow earnings.

If you have any questions or comments, please let me know: [Rusty@Orion.com](mailto:Rusty@Orion.com). Enjoy the week!

**Stay invested. Stay diversified. Stay disciplined.**

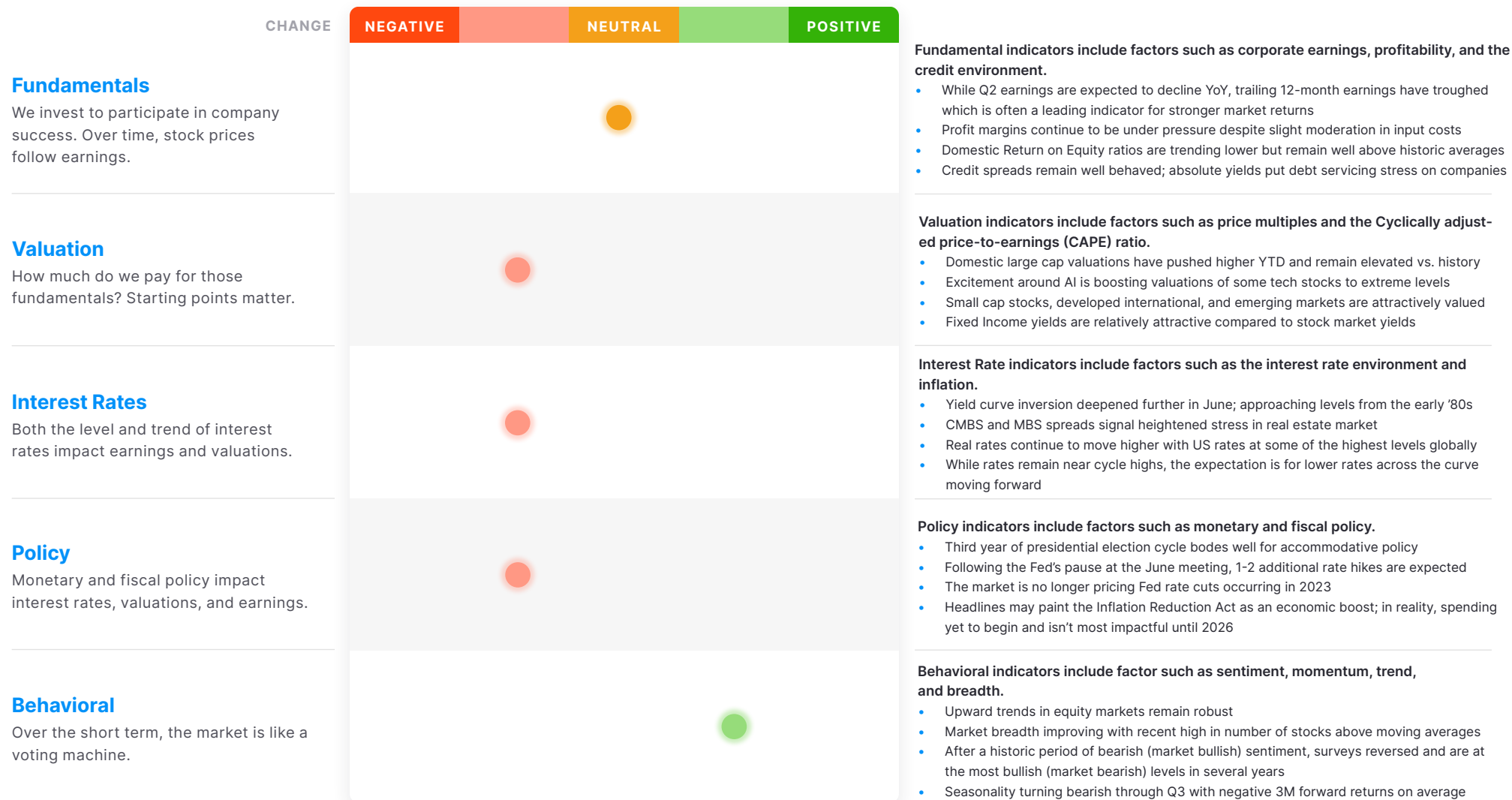
Interest Rates as of July 07, 2023		
Rate	This Week	1 Wk Δ%
13-Wk Treasury Yield	5.21%	0.06%
10-Yr Treasury Yield	4.05%	0.23%
Bloomberg US Agg Yield	5.09%	0.15%
Avg Money Mkt Yield	4.94%	0.00%
Avg 30-Yr Mortgage Rate	7.21%	0.11%

Key Economic Data This Week		
Data Point	Expectation	Release Date
Consumer Credit	\$21.5B	7/10/2023
Consumer Price Index (CPI) YoY	3.1%	7/12/2023
Core CPI YoY	5.0%	7/12/2023
Producer Price Index (PPI) YoY	-	7/13/2023
Core PPI YoY	-	7/13/2023

Key Economic Data Last Week		
Data Point	Expectation	Actual
ISM Manufacturing	47.3%	46.0%
ADP Employment	220,000	497,000
ISM Services	51.3%	53.9%
US Jobs Added	240,000	209,000
US Unemployment Rate	3.6%	3.6%

Stocks, Bonds, Alternatives, & Real Assets as of July 07, 2023						
Security Name	Risk Score*	1 Wk Δ%	1 Mo Δ%	QTD Δ%	YTD Δ%	12 Mo Δ%
Global Equities (60% US, 40% Intl)	100	-1.26%	1.71%	-1.26%	12.23%	13.48%
S&P 500 Total Return	110	-1.11%	3.22%	-1.11%	15.59%	14.67%
Morningstar US Large Cap	110	-1.24%	3.24%	-1.24%	17.78%	15.56%
Morningstar US Mid Cap	122	-0.66%	2.97%	-0.66%	7.79%	10.12%
Morningstar US Small Cap	128	-0.88%	1.04%	-0.88%	9.79%	10.31%
Morningstar US Value	98	-0.98%	1.39%	-0.98%	3.03%	9.09%
Morningstar US Growth	146	-1.35%	3.54%	-1.35%	26.42%	14.64%
MSCI ACWI Ex USA	88	-1.64%	-0.37%	-1.64%	8.05%	11.72%
MSCI EAFE	94	-2.04%	-0.34%	-2.04%	9.84%	17.28%
MSCI EM	86	-0.60%	-0.61%	-0.60%	4.47%	1.95%
Bloomberg US Agg Bond Index	35	-1.30%	-0.98%	-1.30%	0.77%	-2.30%
Bloomberg Commodity Index	94	0.53%	1.67%	0.53%	-7.30%	-7.66%
Wilshire Liquid Alternative Index	23	-0.42%	0.31%	-0.42%	2.17%	1.86%
US Dollar**	42	-0.17%	-0.92%	0.25%	-0.34%	-3.67%
Bloomberg US Treasury Bill 1-3mo	1	0.10%	0.42%	0.10%	2.43%	3.82%

# Brinker Capital Five Factor Market Barometer



# Disclosures



The views expressed herein are exclusively those of Orion Portfolio Solutions, LLC d/b/a Brinker Capital Investments a registered investment advisor, and are not meant as investment advice and are subject to change.

The CFA® is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

The CMT Program demonstrates mastery of a core body of knowledge of investment risk in portfolio management. The Chartered Market Technician® (CMT) designation marks the highest education within the discipline and is the preeminent designation for practitioners of technical analysis worldwide. To learn more about the CMT, visit <https://cmtassociation.org/>.

Think2perform's Behavioral Financial Advice program integrates traditional finance practices with psychology and neuroscience to improve emotional competency and decision-making behavior that increases effective usage of the financial plan with clients. To obtain the Behavioral Financial Advisor (BFA) designation, participants must complete a self-directed course, which takes 20-30 hours to complete, and includes a mix of interactive exercises, videos and case studies. To learn more about the BFA, visit <https://www.think2perform.com>.

Wealth Management services offered through Orion Portfolio Solutions, LLC d/b/a Brinker Capital Investments a registered investment advisor.

Source: Brinker Capital. Information is accurate as of April 12, 2023. Themes and specific funds utilized to implement themes are discussed within the context of Brinker Capital's managed asset allocations and are based on current market conditions and constitute Brinker Capital's judgment and opinions, which are subject to change without notice. Past performance does not guarantee future results. Statements referring to future actions or events, such as the future financial performance of certain asset classes or market segments, are based on the current expectations and projections about future events provided by various sources, including Brinker Capital's Investment Management Group. These statements are not guarantees of future performance and actual events may differ materially from those discussed. Orion Portfolio Solutions, LLC d/b/a Brinker Capital Investments a registered investment advisor.