

AUGUST 28, 2023

# Weekly Wire

## Navigating By the Stars Under Cloudy Skies

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Last week, the Federal Reserve Bank of Kansas City hosted their annual Economic Policy Symposium which has taken place in [Jackson Hole every year since 1982](#). This year's theme for the event was [Structural Shifts in the Global Economy](#):

"While the immediate disruption of the pandemic is fading, there likely will be long-lasting aftereffects for how economies are structured, both domestically and globally, as trade networks shift, and global financial flows react."

Key takeaways from the meeting included the acknowledgment that in the bigger picture the global economy is changing due to deglobalization and central banks moving away from years of low rates and quantitative easing. In turn, for investors this most likely means more volatility in economic and market data, but also greater diversification benefits from broader asset class allocations as correlations between economies and market decrease. In the shorter term though, as concluded by the Fed Chair Jerome Powell in his [speech on the economic outlook](#), is that the Fed is not likely to cut short-term rates anytime soon. The economic data remains mixed, however, and Powell acknowledged that the Fed is "navigating by the stars under cloudy skies."

Another highlight from last week was that The [GDPNow from the Federal Reserve Bank of Atlanta](#) rose again last week and is now predicting Q3 2023 GDP at 5.9%. This is **after** inflation. Outside of the post COVID economic bounce, this could be the best quarter since 2017.

As for potential market-moving events this coming week, there is some key economic data toward the end of the week, including inflation data Thursday and employment data Friday.

Add it all up...

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

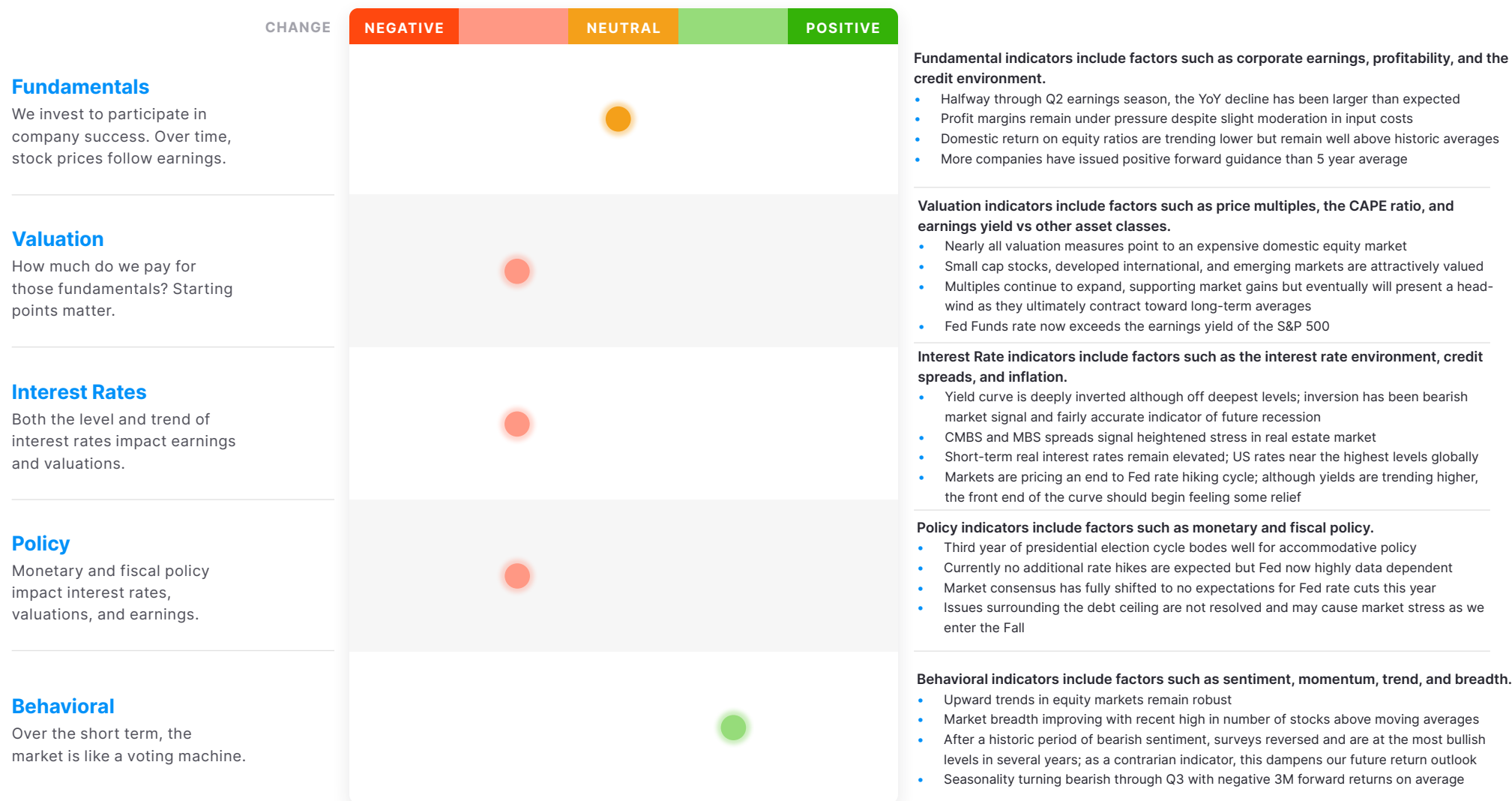
Interest Rates as of August 25, 2023		
Rate	This Week	1 Wk Δ%
13-Wk Treasury Yield	5.32%	0.04%
10-Yr Treasury Yield	4.24%	-0.01%
Bloomberg US Agg Yield	5.26%	0.02%
Avg Money Mkt Yield	5.15%	0.00%
Avg 30-Yr Mortgage Rate	7.53%	-0.05%

Key Economic Data This Week		
Data Point	Expectation	Release Date
ADP Employment	170,000	8/30/2023
GDP (revision)	2.4%	8/30/2023
Personal Consumption Expenditures (PCE)	-	8/31/2023
Core PCE	0.2%	8/31/2023
Nonfarm Payrolls	165,000	9/1/2023
US Unemployment Rate	3.5%	9/1/2023

Key Economic Data Last Week		
Data Point	Expectation	Actual
Existing Home Sales	4.15M	4.07M
New Home Sales	704,000	714,000
Durable Goods Orders	-4.1%	-5.2%

Stocks, Bonds, Alternatives, & Real Assets as of August 25, 2023							
Security Name	Risk Score*	1 Wk	1 Mo	QTD	YTD	1 Yr	3 Yr Ann.
Global Equities (60% US, 40% Intl)	100	0.51%	-4.39%	-1.50%	11.96%	6.56%	7.42%
S&P 500 Total Return	110	0.84%	-3.39%	-0.77%	15.99%	6.73%	10.28%
Morningstar US Large Cap	110	1.03%	-2.93%	-0.38%	18.81%	8.22%	9.45%
Morningstar US Mid Cap	122	0.14%	-5.52%	-2.29%	6.03%	-0.66%	9.05%
Morningstar US Small Cap	128	0.06%	-5.15%	-1.50%	9.10%	0.12%	9.00%
Morningstar US Value	98	-0.47%	-3.33%	0.05%	4.10%	4.14%	13.54%
Morningstar US Growth	146	1.62%	-4.84%	-2.65%	24.75%	3.68%	2.96%
MSCI ACWI Ex USA	88	0.06%	-5.78%	-2.83%	6.75%	7.08%	3.66%
MSCI EAFE	94	-0.18%	-5.73%	-3.38%	8.33%	11.86%	5.70%
MSCI EM	86	0.74%	-5.68%	-1.18%	3.86%	-0.20%	-1.71%
Bloomberg US Agg Bond Index	35	0.28%	-1.63%	-1.64%	0.41%	-2.98%	-4.74%
Bloomberg Commodity Index	94	1.29%	-2.11%	4.80%	-3.36%	-11.02%	15.63%
Wilshire Liquid Alternative Index	23	0.23%	-0.61%	-0.01%	2.59%	0.55%	1.74%
US Dollar**	42	0.40%	2.60%	1.04%	0.44%	-4.32%	3.68%
Bloomberg US Treasury Bill 1-3mo	1	0.10%	0.45%	0.81%	3.16%	4.32%	1.58%

# Brinker Capital Five Factor Stock Market Barometer



# Disclosures



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