

OCTOBER 16, 2023

Weekly Wire



One Year Anniversary

By Rusty Vanneman, CMT, CFA, BFA™

Last week celebrated the 1-year anniversary of the bear market lows from last year. Since then, the global equity market is up over 20%, with US growth stocks leading the way (though developed international is up about 25% over that time). Interestingly, this is basically tied to the second weakest 1-year return after a bear market low since WWII. Of course, above-average equity valuations and rising interest rates have constrained stock market returns, as 10 Year Treasuries are up about 5/8 of 1% over that time frame.

Regarding interest rates though, a plus for stocks and bonds last week was that the 10-year Treasury yield did end the week at 4.62%. It had been nearly as high as 4.90% recently. This is due to the tragic situation in the Middle East as investors sought the safe haven of US Treasuries. Other diversifiers such as commodities also benefited from the geopolitical stress, as they were up about 3%. Last week also had key inflation data. While the initial analysis and reaction was mixed, in the end the markets felt the data was sufficient to keep the Federal Reserve on pause this year.

As for this week, the Middle East and interest rates will again be key drivers of the global financial markets. This week, however, corporate earnings will hopefully assert themselves more. This includes key reports from some leading financial firms (after last week's solid reports from other financial firms, including JPMorgan) and key tech names such as Netflix and Tesla. Currently, earnings growth for the quarter is basically expected to be flattish in terms of year-over-year growth (and an improvement over the last three consecutive quarters of YOY losses), but expectations are for a decent 4th quarter and 2024. The year-over-year growth numbers for 2023 and 2024 are currently expected to be +1 and +13% respectively.

Add it all up...

Stay invested. Stay diversified. Stay disciplined.

If you have any questions or comments, please let me know: Rusty@Orion.com. Have a great week!

| Interest Rates as of October 13, 2023 | | |
|---------------------------------------|-----------|---------|
| Rate | This Week | 1 Wk Δ% |
| 13-Wk Treasury Yield | 5.33% | -0.02% |
| 10-Yr Treasury Yield | 4.63% | -0.15% |
| Bloomberg US Agg Yield | 5.55% | -0.10% |
| Avg Money Mkt Yield | 5.17% | 0.00% |
| Avg 30-Yr Mortgage Rate | 7.80% | -0.08% |

| Key Economic Data This Week | | |
|--------------------------------|-------------|--------------|
| Data Point | Expectation | Release Date |
| US Retail Sales | 0.2% | 10/16/2023 |
| Housing Starts | 1.37M | 10/18/2023 |
| Existing Home Sales | 3.9M | 10/19/2023 |
| US Leading Economic Indicators | -0.4% | 10/19/2023 |

Source: MarketWatch

| Key Economic Data Last Week | | |
|--------------------------------|-------------|--------|
| Data Point | Expectation | Actual |
| Wholesale Inventories | -0.1% | -0.1% |
| Producer Price Index (PPI) YoY | - | 2.2% |
| Core PPI YoY | - | 2.8% |
| Consumer Price Index (CPI) YoY | 3.6% | 3.7% |
| Core CPI YoY | 4.1% | 4.1% |

Source: MarketWatch, First Trust

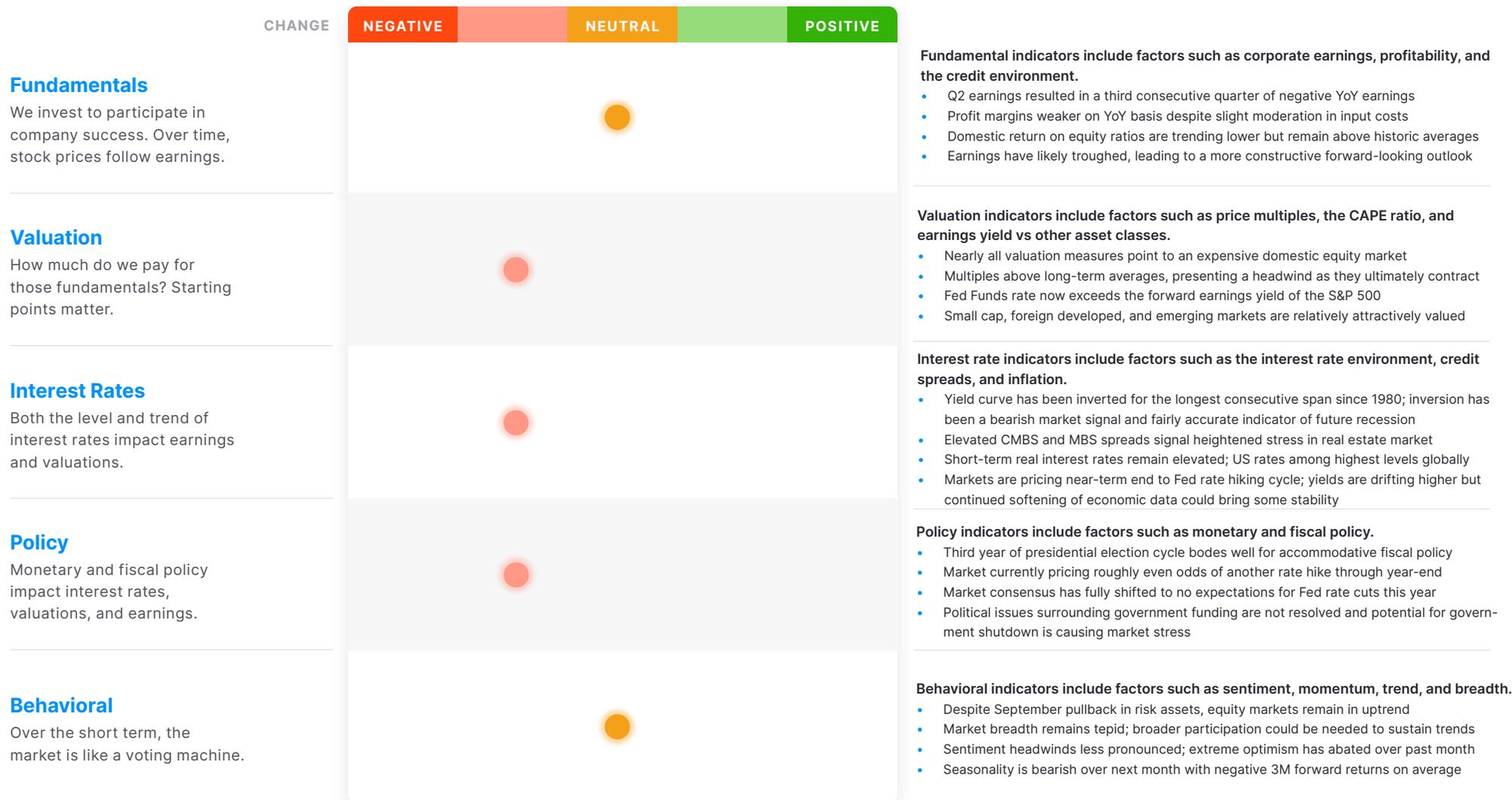
| Stocks, Bonds, Alternatives, & Real Assets as of October 13, 2023 | | | | | | | |
|---|-------------|--------|--------|--------|--------|--------|-----------|
| Security Name | Risk Score* | 1 Wk | 1 Mo | QTD | YTD | 1 Yr | 3 Yr Ann. |
| Global Equities (60% US, 40% Intl) | 100 | 0.62% | -3.12% | 0.06% | 10.07% | 20.01% | 6.01% |
| S&P 500 Total Return | 102 | 0.47% | -3.00% | 0.99% | 14.19% | 19.92% | 8.91% |
| Dow Jones Industrial Average | 97 | 0.79% | -2.54% | 0.54% | 3.29% | 14.52% | 7.64% |
| NASDAQ 100 Total Return | 122 | 0.15% | -2.24% | 1.93% | 37.98% | 37.10% | 8.32% |
| TV Benchmark | 107 | 0.47% | -2.59% | 1.15% | 18.49% | 23.85% | 8.29% |
| Morningstar US Large Cap | 102 | 0.48% | -2.87% | 1.32% | 17.75% | 22.72% | 8.37% |
| Morningstar US Mid Cap | 113 | 0.10% | -3.74% | -0.76% | 2.23% | 9.26% | 5.99% |
| Morningstar US Small Cap | 125 | -0.79% | -5.64% | -2.80% | 2.75% | 7.03% | 5.19% |
| Morningstar US Value | 98 | 0.68% | -3.82% | -1.05% | 0.99% | 10.81% | 11.91% |
| Morningstar US Growth | 126 | -0.71% | -4.65% | 0.04% | 20.60% | 20.49% | 0.23% |
| MSCI ACWI Ex USA | 98 | 1.18% | -2.84% | -0.70% | 5.08% | 21.47% | 2.78% |
| MSCI EAFE | 101 | 0.97% | -2.95% | -0.89% | 6.63% | 25.91% | 4.97% |
| MSCI EM | 98 | 1.52% | -2.22% | -0.12% | 2.04% | 14.78% | -3.00% |
| Bloomberg US Agg Bond Index | 27 | 0.95% | -2.08% | -0.23% | -1.43% | 1.46% | -5.30% |
| Bloomberg Commodity Index | 70 | 2.75% | -1.12% | 0.64% | -2.83% | -4.65% | 15.55% |
| Wilshire Liquid Alternative Index | 25 | 0.24% | -0.98% | -0.20% | 2.28% | 3.58% | 1.46% |
| US Dollar** | 10 | 0.25% | 1.80% | 0.35% | 2.97% | -5.93% | 4.63% |
| Bloomberg US Treasury Bill 1-3mo | 1 | 0.14% | 0.47% | 0.22% | 3.94% | 4.77% | 1.83% |

Source: Morningstar

*The Orion Risk Score represents risk relative to the global equity market.

**As of 10/12/2023

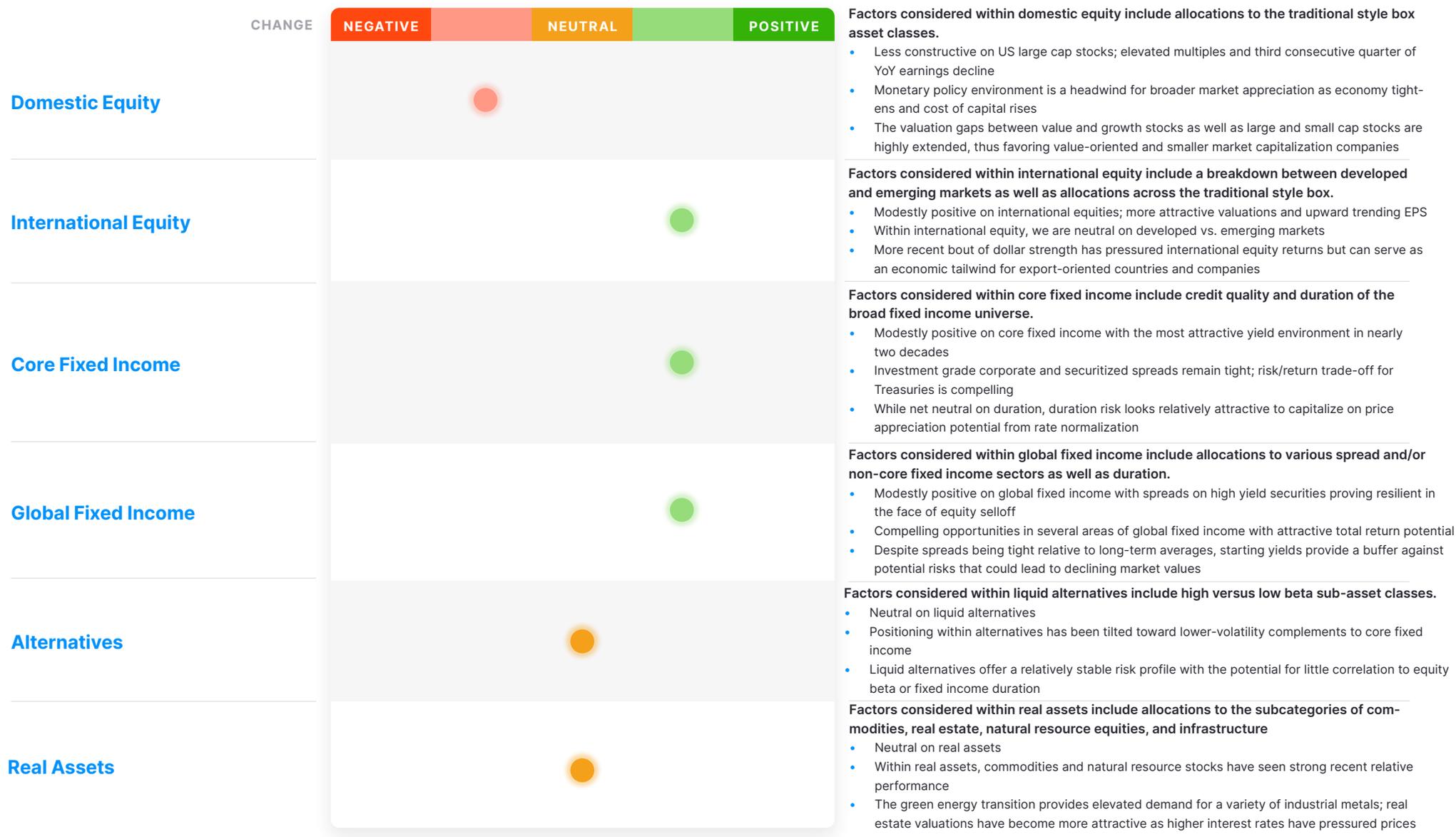
Brinker Capital Five Factor Stock Market Barometer



THE MARKET BAROMETER →

The Market Barometer captures the Brinker Capital's 12-month plus market outlook. It is updated each month by the Orion Asset Allocation Committee. Standard inputs include proprietary reports produced by the Orion Discretionary Investment Team. The Barometer reflects current positioning in investment portfolios. The Barometer is also used as a basis for market outlook presentations.

Brinker Capital Asset Class Barometer



ASSET CLASS BAROMETER →

The Brinker Asset Class Barometer serves as the team’s outlook on the six major asset classes that comprise the multi-asset class portfolios. It is updated each month by the Orion Asset Allocation Committee. Standard inputs include proprietary reports produced by the Brinker Discretionary Investment Team as well as industry-leading external research providers.

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