

AUGUST 7, 2023



# Weekly Wire

## Saying Something Different

By Rusty Vanneman, CMT, CFA, BFA™

Last week was the [worst week](#) for the S&P 500 since March. That said, the stock market needed a breather. Given recent gains, and the year-to-date gain, it's natural to expect that market prices would take a step (or two) back before moving forward again. Match that expectation with the [seasonal tendency](#) for stocks to languish in August (and September), coupled with below average volume due to summer holidays, it shouldn't be a surprise prices faltered last week.

Reasonable enough, but a lot did happen last week! U.S. government debt was [downgraded by Fitch](#). Long-term [bond yields](#) moved to their highest levels on the daily charts since last fall (when stocks bottomed). Last Friday's labor data, while still showing growth, [was weaker than expected](#). The Bank of Japan [will now let interest rates rise more freely](#), something they haven't allowed in years. In turn, the yen rose by [1.5%](#) against the dollar from valley to peak in just two days. That's a big move. Apple, the largest stock in the stock market, and larger than all stocks [in the Russell 2000 combined](#), reported another [year-over-year revenue decline](#). Gas prices moved higher (as are many commodities), and are [now back at their highest levels since late last year](#). Gas prices are now up over 20% since their 2022 lows. Those price increases won't help the year-over-year inflation numbers later this year.

As for this coming week, this week's [U.S. Economic Calendar](#) includes Thursday's Consumer Price Index (CPI). While the headline number is currently expected to rise a bit again, the important core (ex-food and energy) CPI is expected to drop to 4.7%. We will also get more earnings reports, as 2Q23 earnings season is drawing near its end. That said, it will be interesting to see what happens in the bond, commodity and currency markets this coming week (and beyond). Each of these markets are saying something different than they were earlier this year. Has the tide shifted again in market leadership given the clues these markets are providing?

Add it all up...

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

Interest Rates as of August 04, 2023		
Rate	This Week	1 Wk Δ%
13-Wk Treasury Yield	5.25%	0.00%
10-Yr Treasury Yield	4.06%	0.22%
Bloomberg US Agg Yield	5.05%	0.13%
Avg Money Mkt Yield	5.13%	0.18%
Avg 30-Yr Mortgage Rate	7.32%	0.12%

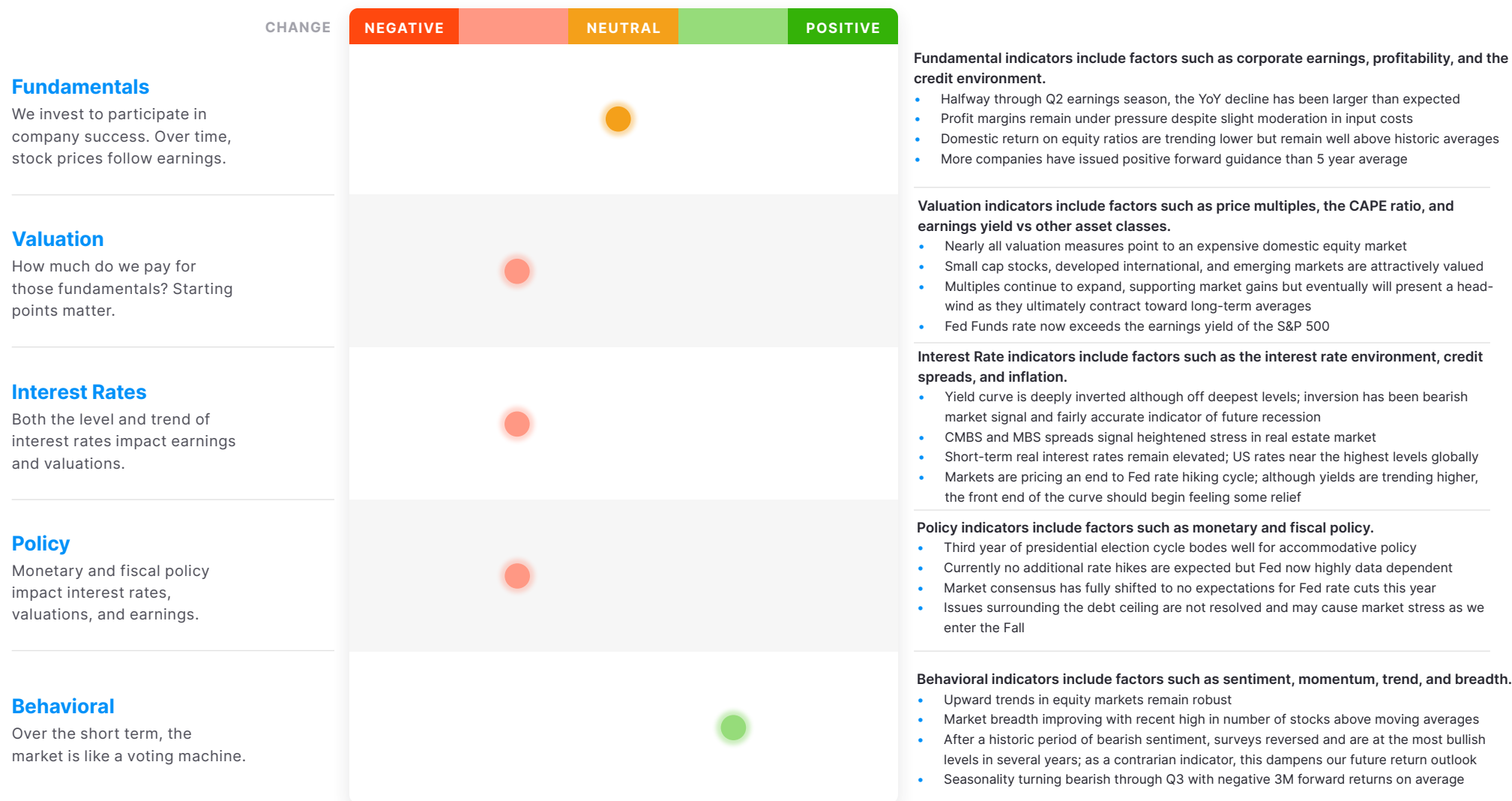
Key Economic Data This Week		
Data Point	Expectation	Release Date
Consumer Credit	\$11.0B	8/7/2023
Consumer Price Index (CPI)	3.3%	8/10/2023
Core CPI	4.7%	8/10/2023
Producer Price Index (PPI)	--	8/11/2023
Core PPI	--	8/11/2023

Key Economic Data Last Week			
Data Point	Expectation	Actual	
Job Openings	9.6M	9.6M	
ISM Manufacturing	46.8%	46.4%	
ADP Employment	175,000	324,000	
US Nonfarm Payrolls	187,000	200,000	
US Unemployment Rate	3.6%	3.5%	

Stocks, Bonds, Alternatives, & Real Assets as of August 04, 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	-2.21%	0.81%	1.21%	15.03%	10.11%
S&P 500 Total Return	110	-2.26%	0.61%	0.73%	17.75%	9.71%
Morningstar US Large Cap	110	-2.30%	0.72%	0.80%	20.21%	10.54%
Morningstar US Mid Cap	122	-2.06%	0.67%	1.00%	9.59%	5.43%
Morningstar US Small Cap	128	-1.48%	2.47%	2.86%	13.94%	7.22%
Morningstar US Value	98	-1.53%	1.98%	2.52%	6.67%	10.27%
Morningstar US Growth	146	-2.83%	-0.43%	-0.55%	27.44%	4.96%
MSCI ACWI Ex USA	88	-2.38%	0.61%	1.34%	11.33%	10.86%
MSCI EAFE	94	-2.37%	0.42%	0.65%	12.86%	14.17%
MSCI EM	86	-2.36%	1.43%	3.41%	8.68%	5.74%
Bloomberg US Agg Bond Index**	35	-1.06%	-1.39%	-1.60%	0.46%	The -4.66%
Bloomberg Commodity Index	94	-1.11%	5.11%	4.93%	-3.24%	-6.16%
Wilshire Liquid Alternative Index	23	-0.46%	0.20%	0.28%	2.88%	1.20%
US Dollar**	42	0.76%	-0.43%	-0.36%	-0.95%	-3.72%
Bloomberg US Treasury Bill 1-3mo	1	0.10%	0.46%	0.50%	2.84%	4.13%

\*The Orion Risk Score represents risk relative to the global equity market. \*\*As of 08/03/2023. Table Sources: Morningstar, Yahoo Finance, S&P Global, Crane Data, BankRate, MarketWatch, First Trust.

# Brinker Capital Five Factor Stock Market Barometer



# Disclosures



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