

Clients and Friends of ICS:

A weekly market review for the week ending September 23rd, 2022

Stocks

Stocks fell last week as the Fed announced a 75-basis-point hike in the federal funds rate, bringing the target range to 3.00%-3.25%. Policymakers also stated that they expect short-term rates to continue to be sharply higher for the next few months. The Dow Jones Industrial Average reached a new intraday low not seen since late 2020. While the S&P 500 and Russell 2000 were able to stay slightly above their bottom in mid-June of 2022, both indices were down over 5% for the week. Technology stocks and the NASDAQ Composite underperformed for the second consecutive week.

Investors seemed to be especially concerned with Fed policymakers' expectations for future rate increases. Many showed that they expect rates to reach 4.5% by year-end and will remain elevated for 2023. Comments from Fed Chair Jerome Powell's post-meeting press conference did little to help soothe investors.

Bonds

The yield on the two-year U.S. Treasury note jumped to 4.10%, the highest level recorded since October 2007. In addition, the 10-year Treasury briefly touched 3.77%, the highest since November 2008. Municipal bonds also fell last week as the asset class experienced outflows and Treasury yields rose. High yield bonds suffered alongside equities following the Fed's rate announcement and Powell's post-meeting press conference.

Index Performance Ending September 23rd, 2022

Equities	Index	Week	YTD
U.S. Large Caps	DJIA	-4.61%	-18.57%
U.S. Large Caps	S&P 500	-5.30%	-22.51%
NASDAQ Listed	Nasdaq Composite	-5.78%	-30.53%
U.S. Mid-Caps	S&P MidCap 400	-7.07%	-20.42%
U.S. Small Caps	Russell 2000	-7.35%	-25.20%
International Developed	MSCI EAFE	-6.35%	-26.26%
Emerging Markets	MSCI EM	-5.09%	-25.72%

Bonds	Index	Week	YTD
U.S. Treasuries	Bloomberg Barclays U.S. Treasury	-1.06%	-13.23%
U.S. Investment Grade	Bloomberg Barclays U.S. Corporate	-2.30%	-19.42%
U.S. High Yield	Bloomberg Barclays U.S. Corporate High Yield Total Return Index	-3.16%	-14.37%

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