

# Weekly Market Update

May 9, 2022

## Economic & Market News

### This Week:

- U.S. reports scheduled to be released this week include National Federation of Independent Business (NFIB) small business optimism index, Consumer Price Index (CPI) and consumer sentiment.
- Non-U.S. reports scheduled to be released this week include ZEW economic sentiment in Germany, the rate of inflation in China, and gross domestic product (GDP) growth in the U.K.

### Week in Review:

- The U.S. unemployment rate of 3.6% in April was unchanged month-over-month. Market expectations were for a 3.5% unemployment rate in April.
- ISM non-manufacturing Purchasing Managers' Index (PMI) in the U.S. fell from 58.3 in March to 57.1 in April. Market expectations were for a reading of 58.5.
- ISM manufacturing PMI in the U.S. fell from 57.1 in March to 55.4 in April. Market expectations were for a reading of 57.6.
- The unemployment rate in the E.U. fell from 6.9% in February to 6.8% in March. Market expectations were for a reading of 6.7% in March.
- The Caixin China composite PMI fell from 43.9 in March to 37.2 in April.

## S&P 1500 by Capitalization & Style<sup>1</sup>

1-Week				YTD		
Value	Blend	Growth		Value	Blend	Growth
0.53%	-0.18%	-0.93%	Large	-4.51%	-13.07%	-20.75%
0.11%	-0.76%	-1.69%	Mid	-7.08%	-12.31%	-17.40%
-0.20%	-0.47%	-0.77%	Small	-7.99%	-13.40%	-18.74%

## 10-Year Treasury Note Yields



## S&P 500 Index Levels



## Index Returns

	1 Week	MTD	3 Mo	YTD
MSCI ACWI IMI	-1.57	-1.57	-9.83	-14.34
S&P 500	-0.18	-0.18	-8.05	-13.07
S&P MidCap 400	-0.76	-0.76	-5.08	-12.31
S&P SmallCap 600	-0.47	-0.47	-5.50	-13.40
MSCI World ex USA	-2.63	-2.63	-10.35	-13.40
MSCI EM IMI	-4.01	-4.01	-14.30	-15.32
Bloomberg U.S. Aggregate Bond	-1.11	-1.11	-7.69	-10.51
Bloomberg Commodity	0.68	0.68	19.12	31.64
DJ Equity All REIT	-3.79	-3.79	-3.34	-12.33

## Bond Rates

	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Fed Funds Target	0.83	0.33	0.08	0.08
2-Year Treasury	2.72	2.50	1.31	0.39
10-Year Treasury	3.11	2.65	1.90	1.39
3-Month LIBOR	1.40	0.99	0.34	0.14
Municipal Bond 10-Year	3.21	2.61	1.57	1.07
U.S. Inv. Grd. Corporate	4.46	3.81	2.93	2.13
U.S. High Yield	7.29	6.26	5.41	4.04

## Commodities

	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Oil (\$/barrel)	109.77	96.23	92.31	81.27
Gold (\$/oz)	1882.80	1918.40	1807.80	1816.80
Gasoline (\$/gallon)	3.76	3.05	2.68	2.32

## Currencies

	Latest	1 Month Ago	3 Months Ago	6 Months Ago
Euro (\$/€)	1.06	1.09	1.14	1.16
Pound (\$/£)	1.24	1.31	1.35	1.35
Yen (¥/\$)	130.40	123.75	115.26	113.46

Equity Index Characteristics <sup>2</sup>	P/E Ratio (TTM)	P/B Ratio (TTM)	P/CF Ratio (TTM)	Wtd Avg Mkt Cap (\$B)
MSCI ACWI IMI	16.38	2.42	12.24	64.87
S&P 500	20.26	3.86	15.64	190.80
S&P MidCap 400	13.94	2.23	11.68	6.23
S&P SmallCap 600	12.89	1.76	9.95	2.04
MSCI World ex US	14.23	1.72	9.77	43.97
MSCI EM IMI	11.79	1.66	8.40	25.32

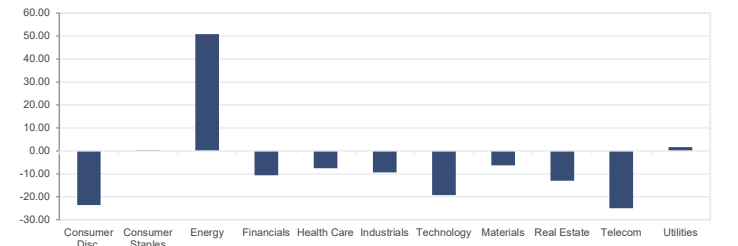
## Upcoming U.S. Economic Events

Date	Indicator	Period	Consensus	Last <sup>3</sup>
05.11.22	CPI SA M/M	Apr	0.3%	1.2%
	CPI ex-Food & Energy SA M/M	Apr	0.4%	0.3%
	CPI ex-Food & Energy NSA Y/Y	Apr	6.0%	6.5%
	CPI NSA Y/Y	Apr	8.1%	8.5%
05.12.22	Continuing Jobless Claims SA	04.30	1,390K	1,384K
	Initial Claims SA	05.07	200.0K	200.0K
	PPI SA M/M	Apr	0.5%	1.4%
05.13.22	Michigan Sentiment NSA (Preliminary)	May	63.8	65.2

## S&P 500 Sector Returns (%)



## YTD



Please see important disclosures on next page. All returns represent total return including dividends. All data is as of 05.06.2022 unless otherwise noted.

# Important Information

<sup>1</sup>Style boxes are derived from the components of the S&P 1500 Index.

<sup>2</sup>Characteristics as of 04.30.2022.

<sup>3</sup>May include flash/preliminary estimates.

Economic & Market News provided by Sterling Capital Advisory Solutions.

The volatility of an index varies greatly. All indices are unmanaged and investments cannot be made directly in an index.

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful.

**S&P 1500:** An investable U.S. equity benchmark, the S&P Composite 1500 combines three leading indices, the S&P 500<sup>®</sup>, the S&P MidCap 400, and the S&P SmallCap 600 to cover approximately 90% of the U.S. market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market or benchmark against a representative universe of tradable stocks.

**Capitalization/Style Returns:** Capitalization/Style returns are based on the S&P Indexes. All values are cumulative total return for stated period including the reinvestment of dividends. The indexes used from left to right, top to bottom are as follows: S&P 500 Value Index, S&P 500 Index, S&P 500 Growth Index, S&P Mid Cap 400 Value Index, S&P Mid Cap 400 Index, S&P Mid Cap 400 Growth Index, S&P Small Cap 600 Value Index, S&P Small Cap 600 Index, S&P Small Cap 600 Growth Index. The S&P 500<sup>®</sup> Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P<sup>®</sup> Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks. The S&P Midcap 400 is designed to measure the performance of the middle capitalization sector of the U.S. equities market. This market capitalization weighted index was created in June of 1991 and consists of 400 domestic stocks from the NYSE, NASDAQ, and AMEX chosen for market size, liquidity and industry group representation. The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation. The S&P Style indices measure growth and value along two separate dimensions, with three factors each used to measure growth and value. The Growth factors are 3 Year Change in Earnings per Share over Price per Share, 3 Year Sales per Share Growth Rate, and Momentum. The Value factors are Book Value to price Ratio, Earnings to Price Ratio, and Sales to Price Ratio.

**Index Returns:** Prices reflect closing price level for each stated date.

**S&P 500:** The S&P 500<sup>®</sup> Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P<sup>®</sup> Composite includes 500 of the largest stocks (in terms of stock market value) in the United States; prior to March 1957 it consisted of 90 of the largest stocks.

**S&P Small Cap 600:** The S&P SmallCap 600 is designed to measure the performance of the small capitalization sector of the U.S. equities market. This index consists of 600 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

**S&P Mid Cap 400:** The S&P MidCap 400 is designed to measure the performance of the mid capitalization sector of the U.S. equities market. This index consists of 400 domestic stocks chosen for market size, liquidity, (bid-asked spread, ownership, share turnover and number of no trade days) and industry group representation.

**Bloomberg US Aggregate Bond Index:** The Bloomberg U.S. Aggregate Bond Index is an unmanaged, market-value-weighted index of taxable investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage backed securities, with maturities of one year or more.

**Bloomberg Commodity Index:** The Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

The **MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes.

The **MSCI World ex USA Index** captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries excluding the United States. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

The **MSCI Emerging Markets Investable Market Index** (IMI) captures large, mid and small cap representation across 23 Emerging Markets (EM) countries. The index covers approximately 99% of the free float-adjusted market capitalization in each country.

The **DJ Equity ALL REIT Index** represents all publicly traded real estate investment trusts in the Dow Jones U.S. stock universe classified as Equity REITs according to the Dow Jones REIT Industry Classification Hierarchy. These companies are REITs that primarily own and operate income-producing real estate.

# Important Information

The **Caixin China General Manufacturing Purchasing Managers' Index (PMI)** is closely watched by investors as one of the first available indicators every month of the strength of the Chinese economy.

The **ZEW Indicator of Economic Sentiment** measures overall expert opinions on the direction of the German economy over the next six months. It is constructed based on a monthly survey of up to 350 analysts, financial professionals, and other experts.

The **ISM Manufacturing Index**, commonly known as the ISM Manufacturing Purchasing Managers Index (ISM PMI), is a monthly gauge on the level of economic activity in the manufacturing sector in the United States versus the previous month.

The **Consumer Price Index (CPI)** is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas. Average price data for select utility, automotive fuel, and food items are also available

**Bond Rates:** Fed Funds Target, FactSet; 2-Year Treasury, FactSet; 10-Year Treasury, FactSet; 10-Year Municipal, FactSet; High Yield, FactSet

**Commodities:** Oil, FactSet; Gold, FactSet; Gasoline, FactSet

**Sector Returns:** Sectors are based on the GICS Classification model. Return data are calculated by Morningstar Direct using constituents and weights as provided by Standard and Poor's. Returns are cumulative total return for the stated period, including reinvestment of dividends.

**Equity Index Characteristics:** Price-to-earnings ratio, price-to-book ratio, and price-to-cash flow ratio for S&P 500, S&P MidCap 400, and S&P Small Cap 600 taken from Morningstar Direct and based on a trailing 12-month period. Price-to-earnings ratio, price-to-book ratio, and price-to-cash flow ratio for MSCI ACWI, MSCI World ex USA, and MSCI Emerging Markets Investable Market taken from Morningstar Direct and based on a trailing 12-month period.

**Currencies:** Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet

Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The views and strategies described may not be suitable for all investors. This material has been prepared for informational purposes only, and is not intended to provide, and should not be relied upon for, accounting, legal or tax advice. References to future returns are not promises or even estimates of actual returns a client portfolio may achieve. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

The opinions contained in the preceding presentation reflect those of Sterling Capital Management LLC, and not those of Truist Financial Corporation or its executives. The stated opinions are for general information only and are educational in nature. These opinions are not meant to be predictions or an offer of individual or personalized investment advice. They are not intended as an offer or solicitation with respect to the purchase or sale of any security. This information and these opinions are subject to change without notice. All opinions and information herein have been obtained or derived from sources believed to be reliable. Any type of investing involves risk and there are no guarantees. Sterling Capital Management LLC does not assume liability for any loss which may result from the reliance by any person upon such information or opinions.

Investment advisory services are available through Sterling Capital Management LLC, an investment adviser registered with the U.S. Securities & Exchange Commission and an independently-operated subsidiary of Truist Financial Corporation. Sterling Capital Management LLC manages customized investment portfolios, provides asset allocation analysis and offers other investment-related services to affluent individuals and businesses. Securities and other investments held in investment management or investment advisory accounts at Sterling Capital Management LLC are not deposits or other obligations of Truist Financial Corporation, Truist Bank or any affiliate, are not guaranteed by Truist Bank or any other bank, are not insured by the FDIC or any other federal government agency, and are subject to investment risk, including possible loss of principal invested.

Sterling Capital does not provide tax or legal advice. You should consult with your individual tax or legal professional before taking any action that may have tax or legal implications.