

Weekly Update – May 22, 2023

Market Returns Ending 5/19/2023			
Category	1 Week	YTD	1 Year
US			
Large Cap	1.7%	9.9%	9.3%
Mid Cap Growth	1.9%	8.8%	12.3%
Mid Cap Value	0.5%	-0.7%	-2.2%
Small Cap	1.9%	1.3%	1.4%
International			
Developed	0.4%	11.8%	12.6%
Emerging	0.5%	3.0%	-0.4%
Bonds			
Aggregate	-1.4%	1.9%	-2.1%
High Yield	-0.4%	3.7%	3.6%

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	0.8	1.7	2.5
Mid	0.5	1.1	1.9
Small	2.0	1.9	1.9
	YTD		
	Value	Core	Growth
Large	0.5	9.5	19.2
Mid	-0.7	2.6	8.8
Small	-3.7	1.3	6.1

Source: Bloomberg

Key Events: Deal or no deal

The news cycle was dominated by debt ceiling negotiations, which appear on track to produce a bi-partisan agreement. Some other notable items this week:

- The Dallas Fed President said that continued inflationary pressures may preclude the expected pause in rate hikes.
- With 95% of companies reporting, earnings are down for the third quarter in a row but are down less than originally expected.

Market Review: Stocks gain amidst uncertainty

Stock returns were not held back by the lack of debt ceiling progress; The S&P 500 rose 1.7% with growth stocks leading the way. International stocks rose modestly.

Bonds lost money as yields rose towards their highest levels since the March onset of the banking crisis in reaction to hawkish Fed comments.

Outlook: Uncertainty – volatility and opportunity

Although history does not repeat itself, it is wise to be attentive to it. The below chart notes how assets fared during the tense 2011 debt ceiling crisis. Risk assets have not reacted negatively during 2023, and while strong stock returns have been driven by the largest names, smaller stocks have remained mostly in the green.

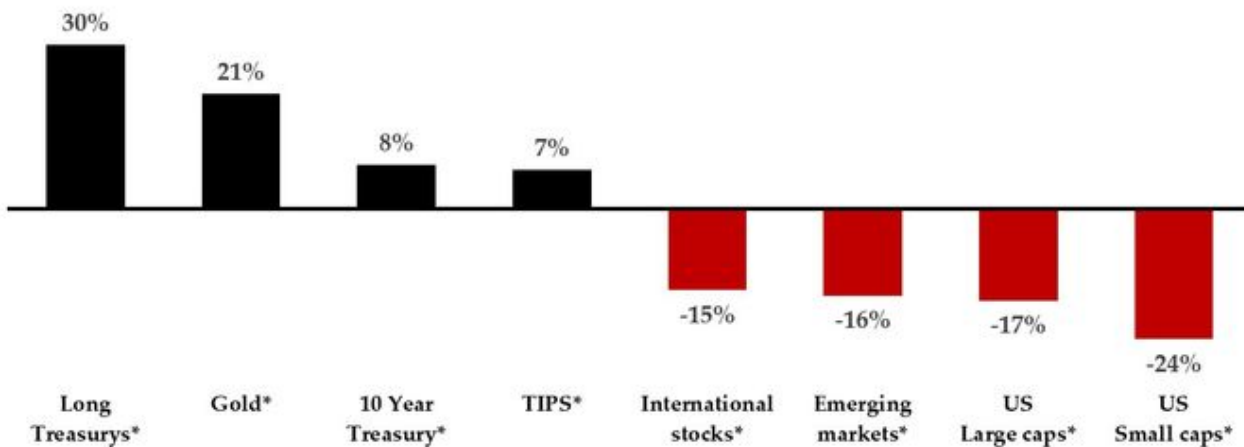
OneAscent portfolios continue to be diversified, including allocations that may hold their value if the crisis causes risky assets to sell off. This will allow us to be prepared to

take advantage of volatility rather than be a victim of it.



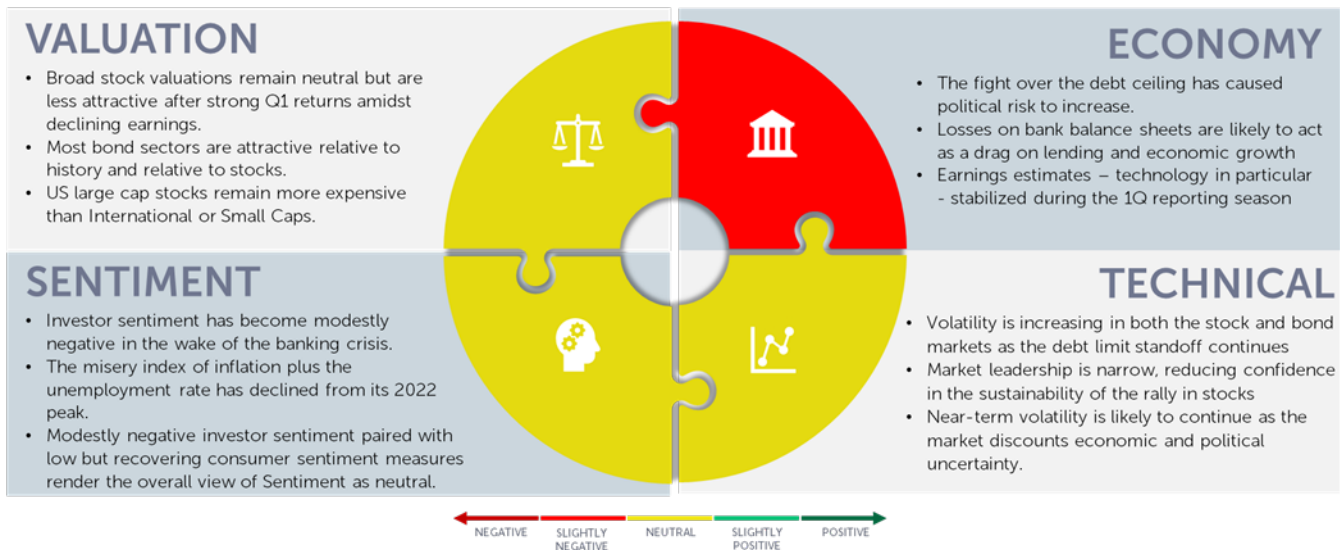
Returns during 2011 debt ceiling crisisⁱ

Max. gain/loss, July 10-August 31 2011



* As measured by ETFs ZROZ, GLD, IEF, TIP, EFA, EEM, SPY and IWM

Navigator Outlook: May 2023



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investment approach for a given individual, which may or may not closely resemble the strategies outlined herein.

ⁱ Source: Marketwatch [What happened to investments during the 2011 debt-ceiling crisis? - MarketWatch](#)