

Weekly Update – July 31, 2023

Market Returns Ending 7/28/2023			
Category	1 Week	YTD	1 Year
US			
Large Cap	1.0%	20.5%	14.4%
Mid Cap Growth	0.0%	18.9%	13.6%
Mid Cap Value	0.2%	9.2%	6.7%
Small Cap	1.1%	13.4%	7.4%
International			
Developed	0.8%	15.5%	18.5%
Emerging	2.1%	10.4%	7.1%
Bonds			
Aggregate	-0.7%	1.54%	-3.7%
High Yield	-0.1%	6.5%	4.8%

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	0.3	1.0	1.6
Mid	0.2	0.1	0.0
Small	1.6	1.1	0.5
	YTD		
	Value	Core	Growth
Large	8.5	20.4	33.2
Mid	9.2	12.8	18.9
Small	9.2	13.4	17.4

Source: Bloomberg

Key Events: Mission accomplished!! (??)

The Fed raised rates .25%, as expected, and guided that they were ‘data dependent’ about future moves. A trove of data releases increased the likelihood of a soft landing:

➤ Economic data continues to strengthen: The first estimate of the second quarter GDP growth was 2.4%, well above expectations of 1.8%, and Conference Board consumer confidence came in above expectations.

➤ Inflation cooled further, coming in below forecasts.

This “goldilocks” data – not too hot, not too cold, helped consumer sentiment continue its reboundⁱ

Market review: Muted

Stocks’ reaction to the news was muted; The S&P 500 was up 1%, beaten only by emerging markets, up 2%.

Stronger growth prospects caused modest bond losses.

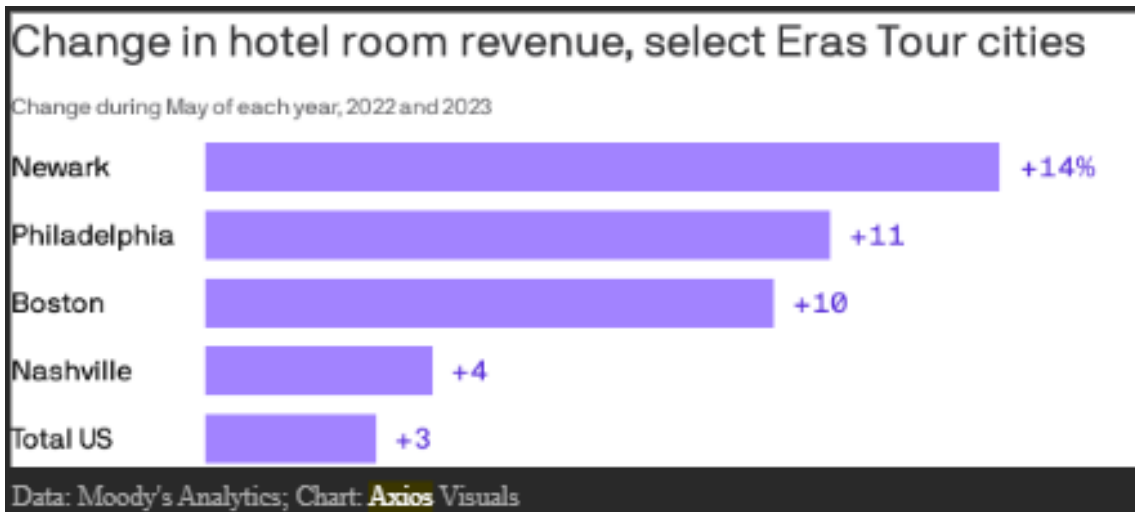
Outlook: Will the consumer drive the economy?

The economic influence of movie releases –Barbie, Mission Impossible and Oppenheimer – as well as concerts – the economic impact of Taylor Swift’s “Eras” tour is shown in the below graph – highlight a different aspect of ‘post-covid life: we are *living* it again.

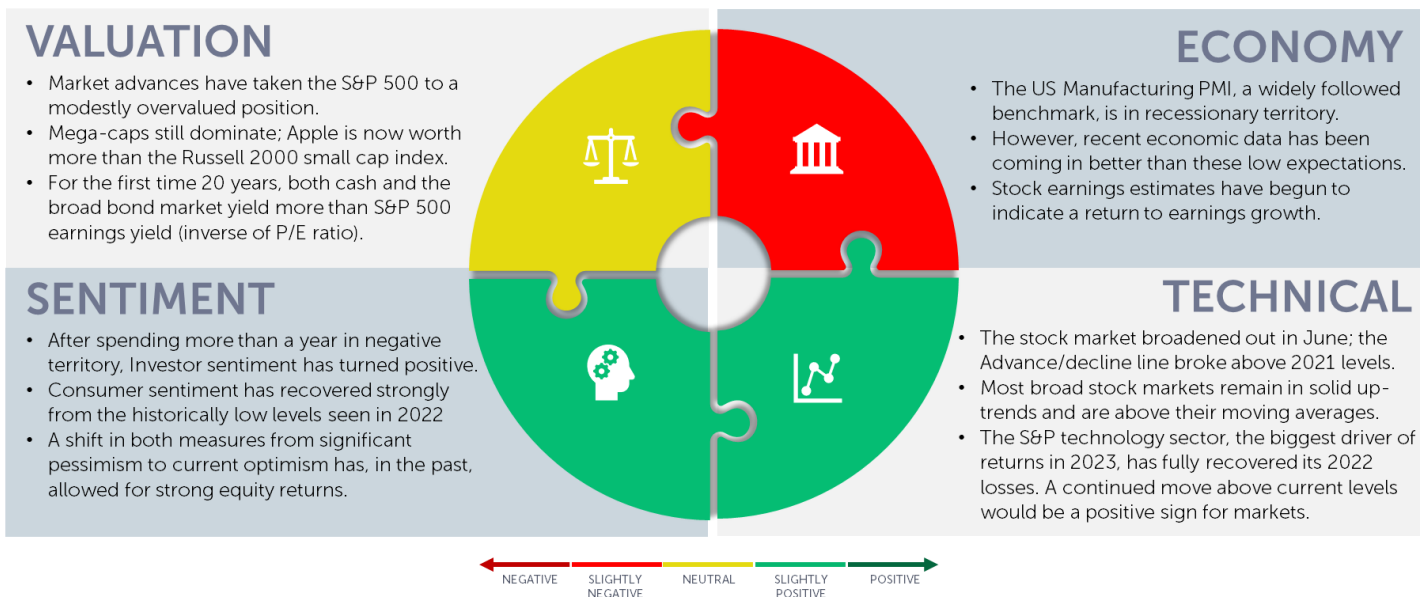
This dynamic – along with AI hype – is behind the strong move up in equities. We acknowledge the strength, but also that Fed actions take quite some time to affect their intended economic consequence. We remain fully invested in a diversified portfolio while we monitor the performance of the economy.

Post Covid activity ramps up – Taylor Swift styleⁱⁱ





OneAscent Navigator Outlook: July 2023



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ⁱ Source: University of Michigan Consumer Confidence Survey

ⁱⁱ Source: Bloomberg

ⁱⁱⁱ Market Returns reference the following indices: Large Cap – S&P 500, Mid Cap Growth – Russell Midcap growth, Mid Cap Value – Russell Midcap Value, Small Cap – Russell 2000, Developed – MSCI EAFE, Emerging – MSCI Emerging Markets, Aggregate – Bloomberg US Aggregate, High Yield – Bloomberg High Yield