

Weekly Update – November 14, 2022

Market Returns Ending 11/10/2022			
Category	1 Week	MTD	YTD
US			
Large Cap	6.4%	10.5%	-15.9%
Mid Cap Growth	6.6%	10.9%	-23.9%
Mid Cap Value	6.3%	13.5%	-9.7%
Small Cap	5.0%	12.3%	-15.9%
International			
Developed	8.2%	12.8%	-17.3%
Emerging	3.3%	1.7%	-25.7%
Bonds			
Aggregate	2.2%	0.6%	-14.1%
Treasuries	1.8%	-0.1%	-13.1%
High Yield	1.3%	3.0%	-12.2%

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	5.5	6.3	7.3
Mid	6.3	6.4	6.6
Small	5.7	5.0	4.3
	YTD		
	Value	Core	Growth
Large	-6.4	-16.8	-25.8
Mid	-9.7	-14.8	-23.9
Small	-9.3	-15.9	-22.4

Source: Bloomberg

Key Events: The Red Wave never reached the shore

Elections appear to have produced a rightward shift that fell far short of expectations. Republicans will likely capture the House with a narrow majority, but Democrats have regained control of the Senate.

Inflation data came in below expectations, with some evidence of slowing, and the market responded with strong gains as the Fed may be more likely to taper its aggressive rate hikes.

Market Review: Despite a Cryptocurrency meltdown, risk assets stormed ahead.

Digital assets sold off significantly as one of the crypto exchanges, FTX, headed towards collapse. Its ‘native token’ cryptocurrency lost 90% of its value on the week, while Bitcoin dropped almost 15%.

Despite losing ground the day after the election, stocks roared back due to the market-friendly inflation numbers. The S&P 500 finished the week up 6.4% while international stocks, measured by the MSCI EAFE, gained 8.2%. Bonds also gained ground as investors adjusted to expectations of a 0.5% December rate hike, down from an expected 0.75% increase.

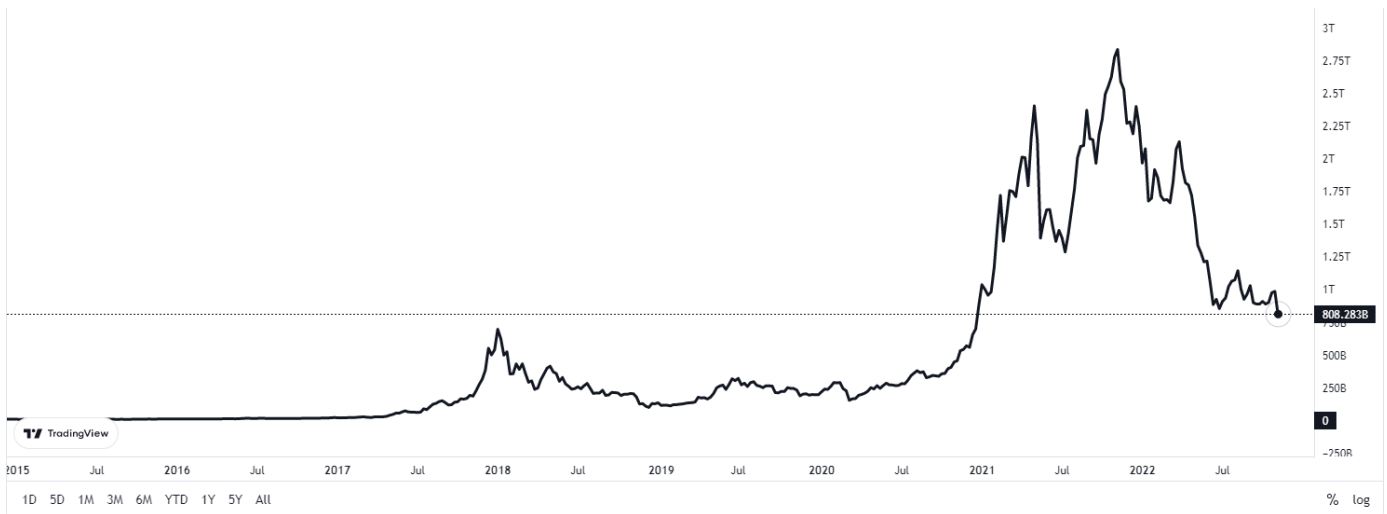
Outlook: Focus on the long-term

This week saw some tremendous moves: As can be seen in the chart below, cryptocurrencies lost over \$500 Billion last weekⁱ as speculative excesses unwound, and large cap stocks gained more than 6%. With the political map not fully set and the market’s myopic focus on the data point du jour, we should expect continued volatility. There is likely to be another piece of

economic data soon that causes just as violent a market reaction as this week’s mild inflation data did. At the risk of being repetitive, we urge investors to stick to their discipline in the face of volatility. This week’s cryptocurrency carnage also reminds us to avoid invest in things unless we understand the risks. Talk with your advisor and make sure you understand what you own.

cryptocurrency market cap tumbles in 2022ⁱⁱ.





Navigator Outlook: November 2022

VALUATION

- Stocks and bonds have both become more attractive
- Stocks are cheaper than bonds
- US large growth stocks are still more expensive than value, small and international stocks.
- Investment grade and high yield bonds have become more attractive as rates have increased

ECONOMY

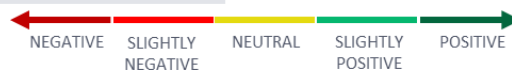
- The Federal Reserve raised rates by 75 basis points on November 2 and affirmed a steadfast commitment to the inflation fight
- Employment strong, but layoff announcements are beginning to increase
- Margin pressures are causing earnings to slow

SENTIMENT

- Investor sentiment has recovered from lows seen in October.
- The University of Michigan and Conference Board surveys of Consumer Sentiment remain low.
- While sentiment has recovered from historically low consumer and investor readings sentiment remains slightly positive.

TECHNICAL

- Short term technical indicators supported October's strength but are less positive after the market's recovery
- Longer-term measures are trending in a positive direction, with a few exceptions.
- Markets may be developing a new positive trend, although near-term volatility is likely



This material is intended to be educational in nature, and not as a recommendation of any particular strategy, approach, product or concept for any particular advisor or client. These materials are not intended as any form of substitute for individualized investment advice. The discussion is general in nature, and therefore not

intended to recommend or endorse any asset class, security, or technical aspect of any security for the purpose of allowing a reader to use the approach on their own. Before participating in any investment program or making any investment, clients as well as all other readers are encouraged to consult with their own professional advisers, including investment advisers and tax advisors. OneAscent can assist in determining a suitable investment approach for a given individual, which may or may not closely resemble the strategies outlined herein.

OAI00074

ⁱ Source: Business Insider

ⁱⁱ Source Tradingview [Total Crypto Market Cap — Index Chart — TradingView](#)