

**Weekly Update – December 19, 2022**

<b>Market Returns Ending 12/16/2022</b>			
Category	1 Week	MTD	YTD
<b>US</b>			
Large Cap	-2.1%	-5.5%	-17.9%
Mid Cap Growth	-1.7%	-5.2%	-26.1%
Mid Cap Value	-1.9%	-5.5%	-12.5%
Small Cap	-1.8%	-6.5%	-20.4%
<b>International</b>			
Developed	-0.9%	1.0%	-13.2%
Emerging	-1.8%	-1.2%	-19.6%
<b>Bonds</b>			
Aggregate	1.0%	1.9%	-10.9%
Treasuries	0.9%	1.7%	-10.5%
High Yield	0.5%	1.2%	-9.6%

<b>US Equity Style Returns</b>			
	<b>Weekly</b>		
	Value	Core	Growth
Large	-1.6	-2.0	-2.4
Mid	-1.9	-1.8	-1.7
Small	-2.3	-1.8	-1.3
	<b>YTD</b>		
	Value	Core	Growth
Large	-8.5	-18.9	-27.9
Mid	-12.5	-17.3	-26.1
Small	-14.7	-20.4	-26.1

*Source: Bloomberg*

**Key Events:** Investors fear the threat of recession – unless you happen to be Mariah Carey.

The market appeared optimistic on Tuesday after November’s Consumer Price Inflation data was lower than expected. However, the next day’s Federal Reserve press conference reaffirmed their commitment to the inflation fight, even at the expense of economic growth. This dampened the market’s hope for a soft landing in the economy.

**Market Review: Recession worries hit stocks**

After strong gains on Monday, the market came back to earth after Fed Governor Powell’s press conference on Wednesday, and the downtrend continued for the rest of the week. The S&P 500 finished down 2.1% for the week, largely due to dips in several mega-cap tech stocks. However, international and small-cap stocks experienced more modest losses on the week.

Bonds gained slightly as recession fears caused a drop in rates; the broad bond market rose 1% for the week. High-yield bonds lagged on increased recession fears.

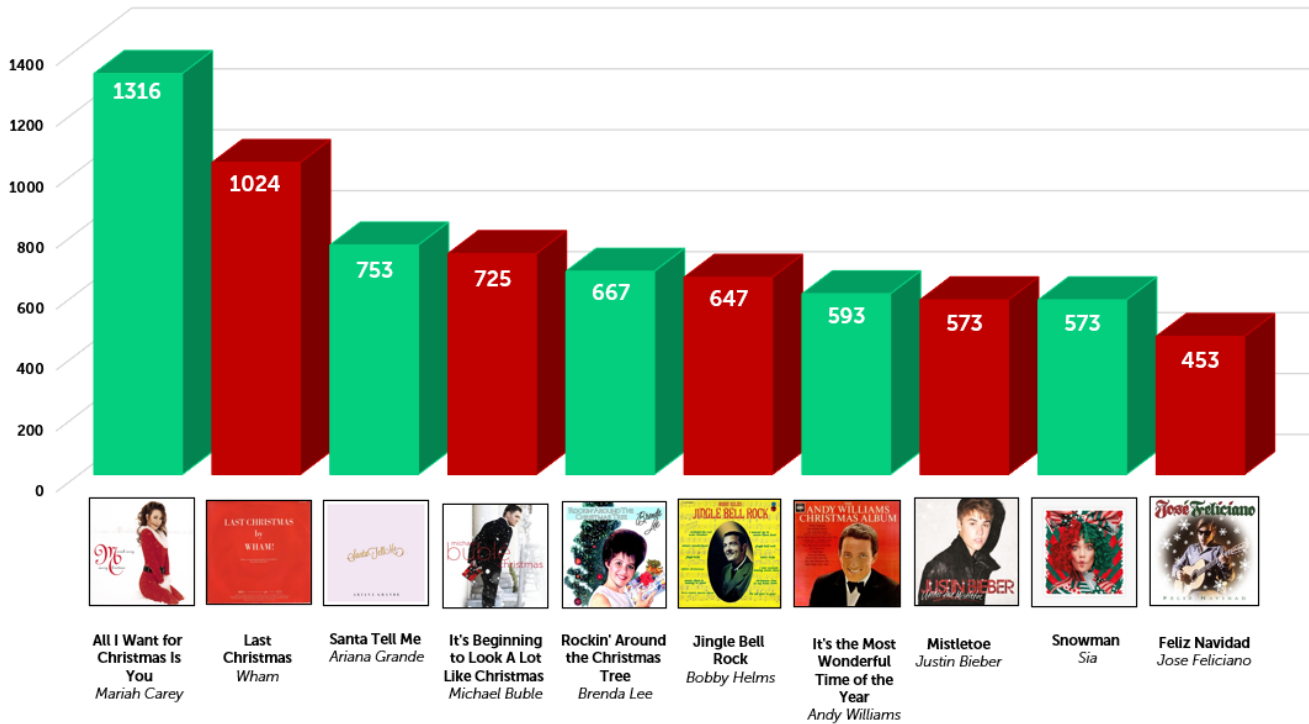
**Outlook: Inflation data and the Fed**

We have discussed the potential for recession several times this fall. The Federal Reserve is attempting to engineer a mild recession, and that seems to be what the stock market expects. As we move through the shifting economic data, the market may have the tendency to overreact to individual data points or Federal Reserve press conferences, as was the case this week. The volatility we have expected has come to pass in recent months. We expect this to continue until the market gains clarity on interest rates and the economy.

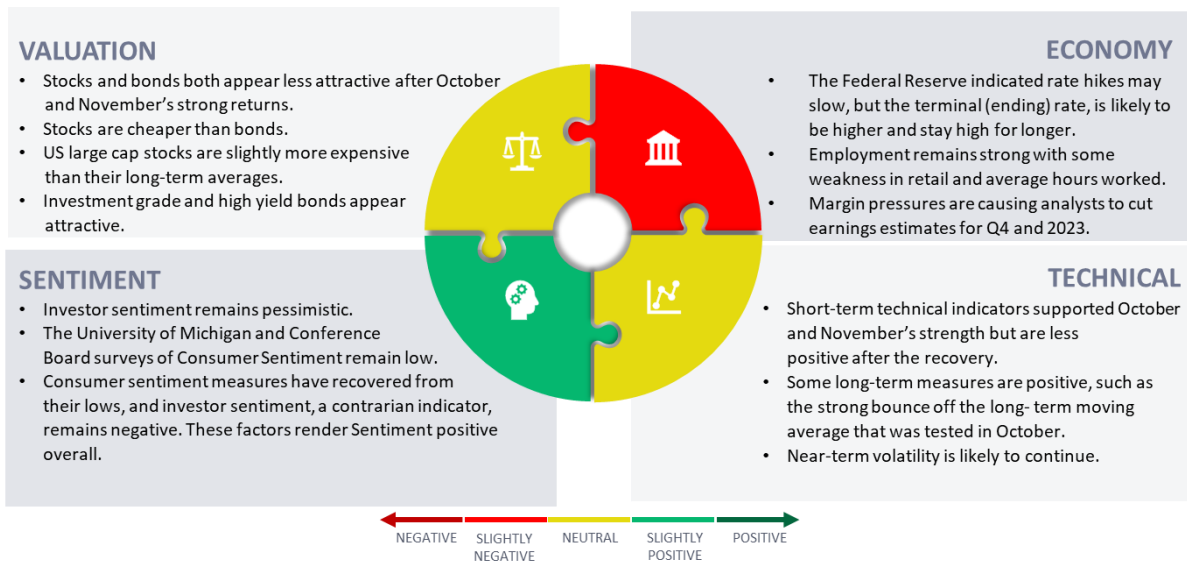
While the market worries about a recession, Mariah Carey, on the other hand, should not be. Her 1994 hit “All I Want for Christmas is You” is estimated to earn \$2.5 million per year<sup>i</sup>. See our chart of heavily downloaded Christmas songs to see how your favorites rank<sup>ii</sup>.



# Spotify Streams (millions)



## Navigator Outlook: December 2022



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

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<sup>i</sup> Source: Forbes [Million-Dollar Song: 'All I Want For Christmas Is You' Keeps Raking It In \(forbes.com\)](https://www.forbes.com)

<sup>ii</sup> Source: Spotify