

## Weekly Update – April 17, 2023

Market Returns Ending 4/14/2023			
Category	1 Week	YTD	1 Year
<b>US</b>			
Large Cap	0.8%	8.3%	-4.2%
Mid Cap Growth	1.9%	8.5%	-5.3%
Mid Cap Value	1.2%	0.9%	-9.0%
Small Cap	1.5%	1.6%	-9.8%
<b>International</b>			
Developed	2.1%	11.5%	4.8%
Emerging	1.0%	4.8%	-7.5%
<b>Bonds</b>			
Aggregate	0.0%	3.4%	-1.6%
High Yield	0.8%	4.5%	-0.7%

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	1.2	0.9	0.5
Mid	1.2	1.4	1.9
Small	0.9	1.5	2.1
<b>YTD</b>			
	Value	Core	Growth
Large	2.3	8.1	14.3
Mid	0.9	3.6	8.5
Small	-2.4	1.6	5.4

Source: Bloomberg

### Key Events: Moderating

The interest rate hiking cycle is likely moderating, according to the minutes of the Fed's March meeting. Their economic projection suggested one more ¼ point rate hike.

Inflation is moderating as well; both consumer and producer inflation data show that inflationary pressures are moderating. This has helped consumer sentiment continue its recovery from its 2022 lows.<sup>i</sup>

Less positive is the trajectory of corporate earnings: 2Q earnings are expected to decline 6.5%.<sup>ii</sup>

### Market Review: Modest

Markets were relatively calm this week. The S&P 500 gained 0.8% for the week while smaller-cap stocks and bonds finished with slightly higher gains. Growth outperformed, continuing the Q1 trend.

High grade bonds were flat, while high-yield gained as the risk of a banking-crisis induced recession diminished.

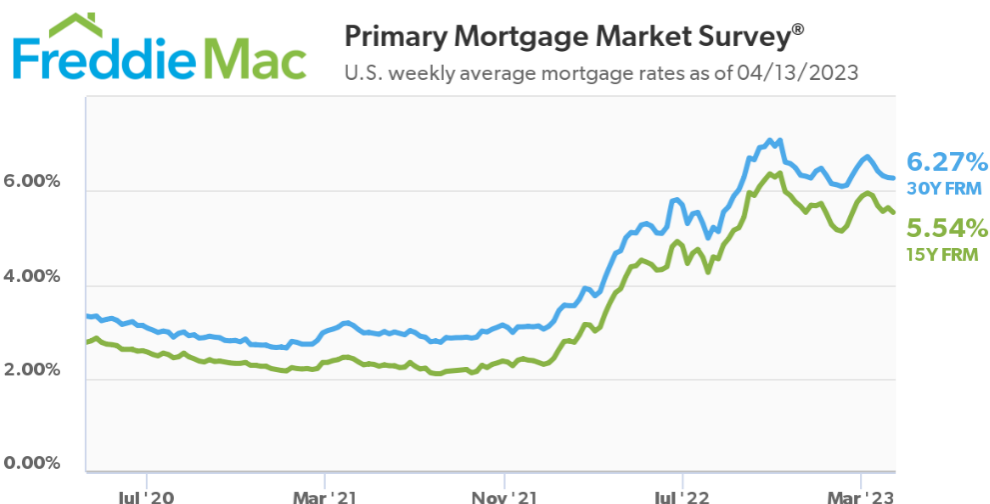
### Outlook: Moderate or Modest?

The market is caught between the potential for *modest* growth over the long term and a *moderate* recession in the short term, in contrast to the mild recession or soft landing - expected before the banking crisis.

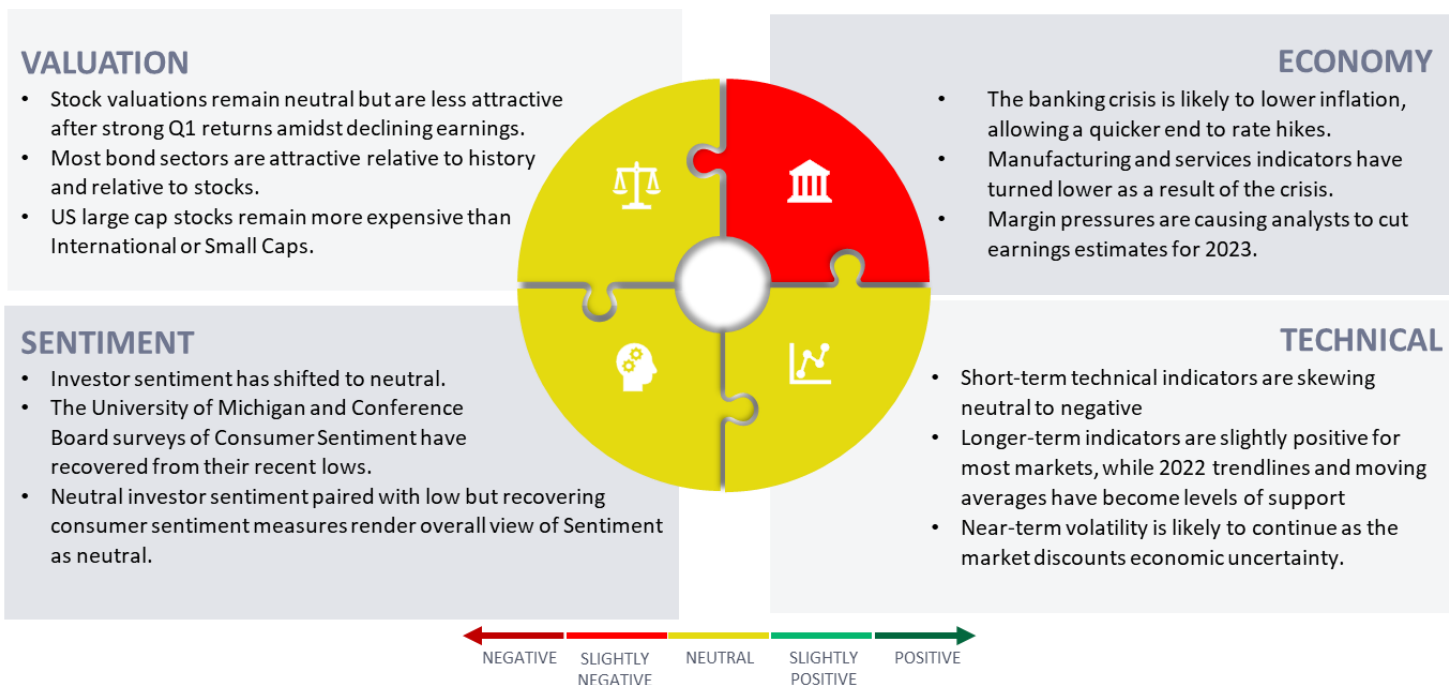
There is data to support both views. The chart below shows that mortgage rates are moderating, illustrative of the general decline in inflation and optimistic outlook. Profit margins are declining, leading to lower earnings

estimates that are generally associated with recessions and bear markets. OneAscent portfolios are diversified, and we remain disciplined in our balanced portfolio allocation.

### Mortgage rates are moderating



## Navigator Outlook: April 2023



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<sup>i</sup> Sources: Bureau of Labor Statistics, University of Michigan Consumer Confidence Survey

<sup>ii</sup> Source: Factset