

Weekly Update –June 26, 2023

Market Returns Ending 6/23/2023			
Category	1 Week	YTD	1 Year
US			
Large Cap	-1.4%	14.2%	16.5%
Mid Cap Growth	-2.2%	11.8%	17.5%
Mid Cap Value	-2.6%	1.2%	6.6%
Small Cap	-2.9%	4.2%	8.0%
International			
Developed	-3.3%	10.3%	18.2%
Emerging	-3.6%	5.1%	3.0%
Bonds			
Aggregate	0.1%	2.36%	-0.3%
High Yield	-0.8%	4.5%	6.8%

US Equity Style Returns			
	Weekly		
	Value	Core	Growth
Large	-2.0	-1.5	-1.1
Mid	-2.6	-2.4	-2.2
Small	-3.3	-2.9	-2.4
	YTD		
	Value	Core	Growth
Large	2.2	13.8	26.3
Mid	1.2	4.9	11.8
Small	-1.3	4.2	9.5

Source: Bloomberg

Key Events: The “Annie recession” gives us mixed signals

The recession we’re waiting for is either ‘always a day away,’ or may be a ‘rolling’ recession with one sector or region recovering while another declines:

- Data released this week showed a recovery in housing starts, but declines in bank deposits foreshadowed further weakness in the sector.
- While China’s manufacturing sector dipped back into contraction, broad emerging markets staged a recovery.¹

Market Review: The Fed says more rate hikes to come

This drove both stocks and high yield bonds down. The S&P 500 declined slightly while riskier sectors - small cap, international and emerging markets - fared worse.

Investment grade bond returns were flat as the market processed the Fed’s forecast of further rate hikes.

Outlook: Thinking about risk

Despite this week’s pullback, such strong 2023 returns may induce complacency; we, however, are thinking about risks in the markets and how to manage them.

Risk management works best if it’s thought about *before* the risks come to fruition. Just as you should think about fireworks safety before lighting the match (see below), we think about managing risks when skies are blue.

Therefore. OneAscent portfolios remain broadly diversified, invested across the spectrum of sectors and regions that are in different phases of the economic cycle. We seek to preserve capital and make money in various economic environments, including recession or economic recovery.

Risk management for Independence Dayⁱⁱ



Fireworks Safety 101

Each year, over 10,000 people suffer firework burn injuries in the United States.

The National Council on Fireworks Safety reported that 16% of those injuries were from sparklers. In addition, the U.S. Consumer Products Safety Commission reports that 57% of sparkler injuries occur in children under 5 years of age.



Check to see if fireworks are legal in your area. If they are, research the guidelines for using them.

Do not allow young children to play with or light fireworks.

Do not buy fireworks packaged in brown paper. This indicates that the fireworks are to be used by a professional. They could be very dangerous when used by untrained persons.



Never attempt to re-light or pick up a firework that did not properly ignite.

Do not attempt to shoot off fireworks from glass or metal containers.

Did You Know?

Sparklers burn at very high temperatures, between 1800° and 3000°F! This is hot enough to melt some metals. Be sure that an adult supervises children with sparklers at all times, and never give a sparkler to a child under 5 years of age.

Never throw fireworks, or point them at another person.

Never place any body part above or in front of a fireworks device while lighting the fuse. Immediately back up to a safe distance when igniting fireworks.



Once fireworks complete their burning, douse the used devices with plenty of water. Do this to all devices, whether or not the firework deployed properly.



Only light fireworks one at a time. Move back quickly, in-between lighting each firework.

Never transport fireworks by carrying them in your pocket.



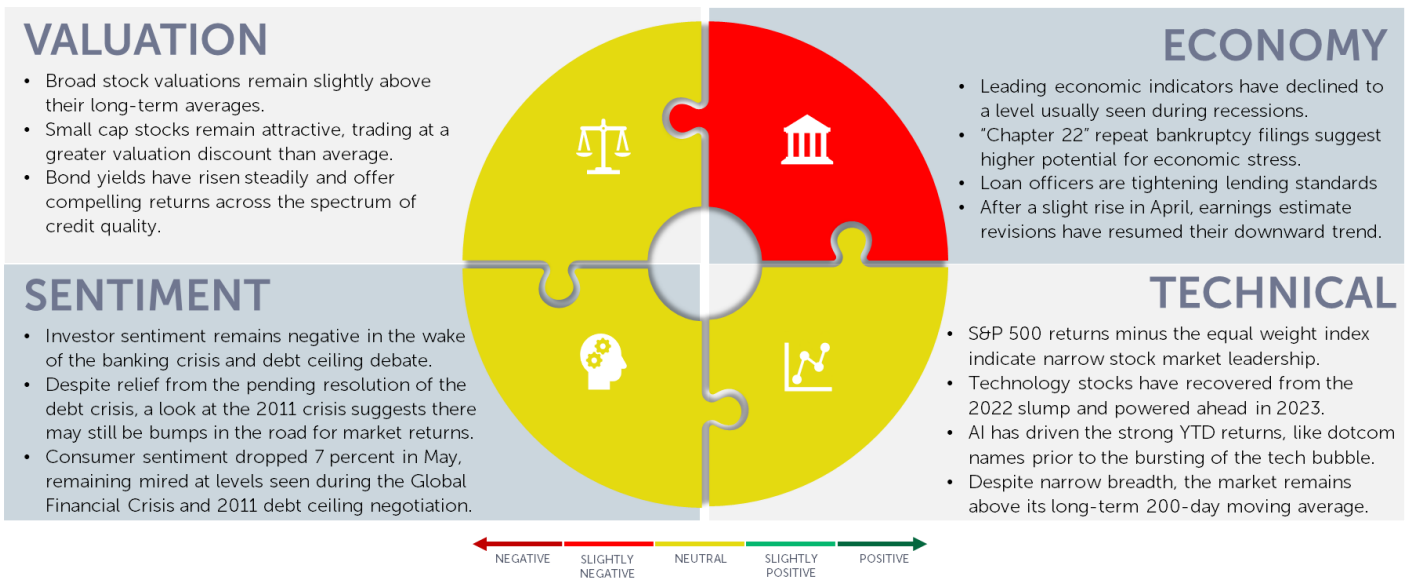
Be sure to keep a bucket of water handy, in case of a firework accident. A garden hose is also helpful!

SOURCES:

"Sparklers 16 percent of fireworks harm." United Press International, June 22, 2009.

"The Dangers of Fireworks." Topical Fire Research Series, Volume 5, Issue 4, U.S. Fire Administration/National Fire Data Center, June 2005.

Navigator Outlook: June 2023



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ⁱ Source: Bloomberg, S&P Global manufacturing purchasing managers index data
ⁱⁱ Source: [DWK Fireworks Final HighRes.jpg \(1200x2100\) \(wp.com\)](#)
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