

# Weekly Market Recap

## The week in review

- Consumer confidence fell to 102.3 in May
- JOLTS openings rose to 10.1M in April
- Nonfarm payrolls increased 339,000

## The week ahead

- Services ISM

## Thought of the week

Last week, investors received a large bundle of data related to the jobs market. There is some indication of future weakness, but overall the jobs data mosaic points to normalization at a gradual pace. The May employment report showed a net creation of 339,000 jobs, above expectations and an uptick compared to April's 264,000. Some signs of softness included a move higher of 0.3% in the unemployment rate to 3.7%. In addition, wage growth eased to 0.3% m/m, bringing the year-over-year rate down to 4.3%.

The April JOLTS data was also mixed: job openings were surprisingly high, moving up to 10.1M, the first increase this year and still significantly above the 2019 average. On the other hand, the quits rate fell to 2.4%, its lowest level since February 2021, edging closer to the 2019 average. This signals that workers feel less comfortable leaving their jobs or that the quality of jobs available is potentially declining. Overall, the labor market is showing signs of stabilization rather than weakness, bolstering the possibility of a soft landing.

Historically, spikes in unemployment have significantly lagged the onset of rate hikes. However, given the speed and intensity of the recent tightening regime, it would not have been surprising to see a greater rise in jobless claims and layoffs already taking shape. The labor tightness created by the pandemic recovery may be helping the job market avoid any sudden drop-offs.

We think recent data supports a Fed pause at the June meeting, as it waits to see which way the labor market data breaks: normalization or a bigger slowdown.

Please see important disclosures on next page.

## Weekly Data Center

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	4282	1.88	4.53	12.37	4.32	45.79
Dow Jones 30	33763	2.17	1.94	2.89	3.80	39.42
Russell 2000	4550	3.32	1.83	4.62	-2.02	34.07
Russell 1000 Growth	1758	2.08	8.23	23.78	10.03	45.58
Russell 1000 Value	926	1.95	0.22	1.22	-2.42	40.68
MSCI EAFE	2098	0.90	1.43	10.18	6.72	29.71
MSCI EM	984	1.26	-0.10	3.92	-4.16	10.61
NASDAQ	13241	2.07	8.51	27.01	8.47	41.06

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	4.65	0.96	-0.77	2.17	-2.19	-10.77
U.S. Corporates	5.40	1.06	-0.78	2.69	-1.57	-8.87
Municipals (10yr)	3.13	0.64	-1.06	1.67	2.15	-0.56
High Yield	8.67	1.15	0.92	4.53	0.92	8.81

Key Rates	Levels (%)					
	6/2/23	5/26/23	3/31/23	12/30/22	6/2/22	6/2/20
2-yr U.S. Treasuries	4.50	4.54	4.06	4.41	2.65	0.17
10-yr U.S. Treasuries	3.69	3.80	3.48	3.88	2.92	0.68
30-yr U.S. Treasuries	3.88	3.96	3.67	3.97	3.09	1.48
10-yr German Bund	2.31	2.52	2.33	2.53	1.24	-0.42
3-mo. LIBOR	5.50	5.48	5.19	4.77	1.63	0.33
3-mo. EURIBOR	3.49	3.46	3.04	2.13	-0.33	-0.33
6-mo. CD rate	1.92	1.97	1.88	1.80	0.43	0.39
30-yr fixed mortgage	6.91	6.91	6.40	6.58	5.33	3.37
Prime Rate	8.25	8.25	8.00	7.50	4.00	3.25

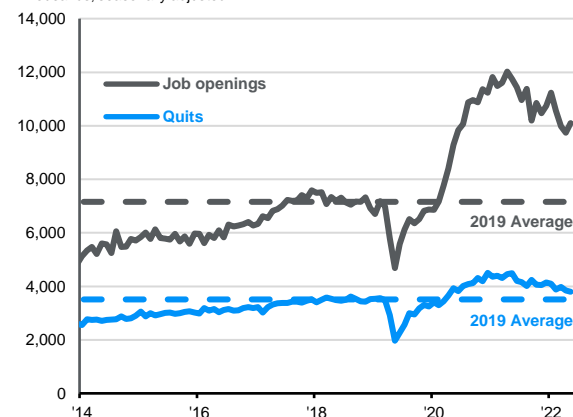
Index Characteristics				
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)	
18.46	3.85	1.56	35811	
16.83	4.20	2.04	10828	
20.77	1.91	1.39	2313	
25.17	9.22	0.89	21024	
14.13	2.28	2.26	18315	
12.95	1.68	3.24	15311	
12.27	1.56	3.38	6651	
27.13	5.00	0.80	21388	

Currencies	Levels		
	6/2/23	12/30/22	6/2/22
\$ per €	1.07	1.07	1.07
\$ per £	1.25	1.20	1.25
¥ per \$	139.66	131.95	129.85

Commod.	Levels		
	6/2/23	12/30/22	6/2/22
Oil (WTI)	70.10	80.16	116.88
Gasoline	3.57	3.09	4.62
Natural Gas	2.16	3.52	8.49
Gold	1963	1814	1845
Silver	23.89	23.95	21.61
Copper	8337	8387	9455
Corn	6.10	6.14	7.15
BBG Idx	222.14	245.89	286.49

## Chart of the Week

JOLTS data are normalizing gradually  
Thousands, seasonally adjusted



## Style Returns

	V	B	G
L	2.0	1.9	2.1
M	2.3	2.3	2.4
S	3.6	3.3	3.1
	V	B	G
L	1.2	12.4	23.8
M	0.1	3.9	10.8
S	-0.2	4.6	9.3

## S&P 500 Sector Returns

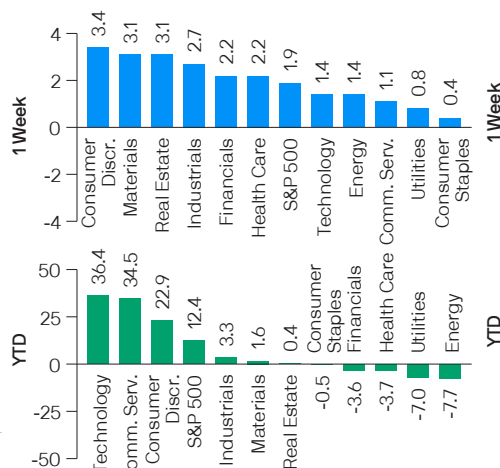




Chart of the Week: Source: FactSet, U.S. Department of Labor, J.P. Morgan Asset Management.

Thought of the week: Source: FactSet, U.S. Department of Labor, J.P. Morgan Asset Management.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Bloomberg US Aggregate; provided by: Bloomberg Capital. Index: Bloomberg Investment Grade Credit; provided by: Bloomberg Capital. Index: Bloomberg Municipal Bond 10 Yr; provided by: Bloomberg Capital. Index: Bloomberg Capital High Yield Index; provided by: Bloomberg Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period.

Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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