

In focus

Price action last week seemed like investors read the latest economic data however they wanted to. To many, the releases showed a welcome reprieve from the rampant price increases that we have experienced over the past year, but also showed a slowdown in consumer demand. To others the economic weakness opened the window for a potential Federal Reserve (Fed) pivot. Equity markets rose, even after a softer-than-expected retail sales print Friday.

Bad news has become good news with the end of the Fed's hiking cycle in full focus. It is still up in the air as to whether they will hike again in May, but for all intents and purposes, they are at the end of their tightening campaign. Given the 4.75% of total rate increases over the past year, another 0.25% doesn't add much whether it happens or not. The ramifications of the rapid rate increases are still playing out.

The bond market took a breather from its recent rally as well with yields climbing last week. Interest rates at the front end of the curve remain the highest, which has been pulling some investors out of deposit accounts and into money market funds or T-Bills. A few banks reported last week, but this week will be an even more important week for financials' earnings releases. This week will help investors understand how the events in March affected deposits and lending given interest rates are still elevated.

A look back

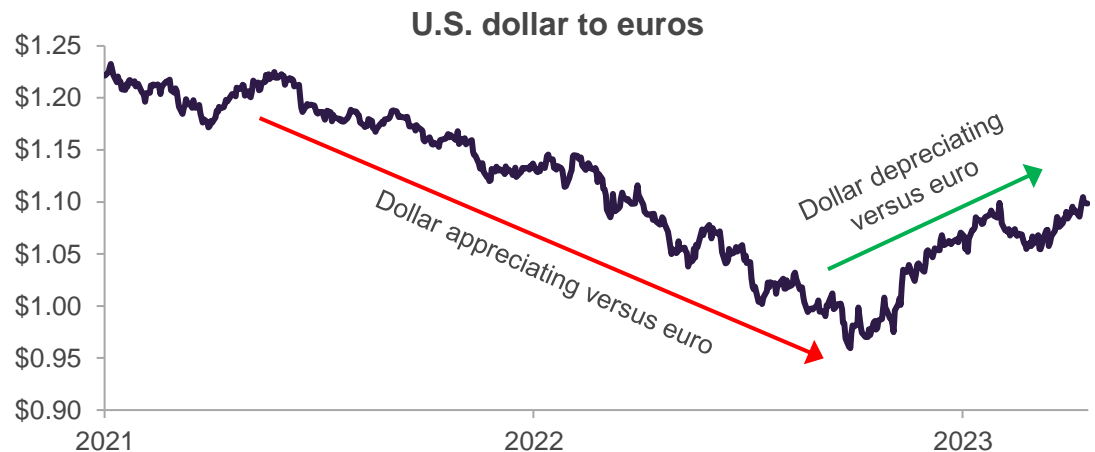
- Equities were up last week with the U.S. lagging as the S&P 500 rose 0.8%, while the MSCI ACWI was up 1.3%.
- Treasury yields rose in a mostly parallel fashion. The 3-month/10-year yield curve reached its deepest inversion since the 1980s, now below -1.6%.
- Headline consumer prices cooled while the core reading rose, similar to last month. The Producer Price Index was cooler than expected, largely due to energy prices.

A look ahead

- Q1 earnings season continues with more banks and other financial companies set to report. A few regional banks are a part of the line up as March's stress will be front of mind.
- There will be nine Fed speakers this week along with their monthly Beige Book to give clues about May's policy decision given the latest inflation data.
- Economic releases: Building Permits, Housing Starts, Empire Manufacturing, Existing Home Sales, Leading Index.

Chart of the week – Dollar losing its shine

After more than a year of gaining value compared to most other currencies, the U.S. dollar has retraced some of its gain. Last week, the dollar/euro price surpassed \$1.10 for the first time since last April as the Fed's tightening cycle winds down versus Europe's still ongoing hiking cycle.



Wealth

Data Source: Truist IAG, Bloomberg

Market Pulse

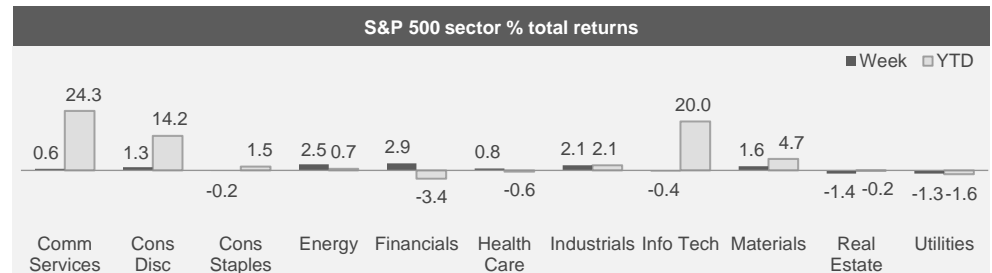
As of April 14, 2023

Index % Total Return	Week	MTD	QTD	YTD	1 Yr
MSCI ACWI (net)	1.31	1.28	1.28	8.68	-3.48
S&P 500	0.82	0.75	0.75	8.31	-4.15
MSCI EAFE (net)	2.19	2.67	2.67	11.36	4.11
MSCI Emerging Markets (net)	1.39	1.11	1.11	5.11	-7.83
Dow Jones Industrials	1.20	1.89	1.89	2.84	0.49
Bloomberg Commodity Index	1.60	2.38	2.38	-3.10	-15.79
Bloomberg Aggregate	-0.48	0.01	0.01	2.97	-2.06
ICE BofA US High Yield	0.77	0.74	0.74	4.49	-0.97
Bloomberg Municipal Bond Blend 1-15 Year	0.14	0.82	0.82	3.11	3.52
ICE BofA Global Government xUS (USD Unhedged)	-1.05	-0.11	-0.11	2.83	-9.09
ICE BofA Global Government xUS (USD Hedged)	-0.85	-0.53	-0.53	2.64	-4.10

Rates (%)	4/14/23	3/31/23	12/30/22	9/30/22	6/30/22
Fed Funds Target	5.00	5.00	4.50	3.25	1.75
Libor, 3-Month	5.26	5.19	4.76	3.75	2.28
T-Bill, 3-Month	5.05	4.75	4.41	3.23	1.64
2-Year Treasury	4.10	4.06	4.41	4.20	2.93
5-Year Treasury	3.61	3.60	4.00	4.03	3.00
10-Year Treasury	3.51	3.49	3.87	3.79	2.97
30-Year Treasury	3.73	3.68	3.96	3.76	3.12
Bloomberg Aggregate (YTW)	4.41	4.40	4.68	4.75	3.72
Bloomberg Municipal Bond Blend 1-15 Year	2.70	2.87	3.18	3.73	2.82
ICE BofA US High Yield	8.36	8.50	8.95	9.58	8.93
Currencies	4/14/23	3/31/23	12/30/22	9/30/22	6/30/22
Euro (\$/€)	1.10	1.09	1.07	0.98	1.05
Yen (¥/\$)	133.46	133.09	131.95	144.75	135.86
Pound (\$/£)	1.24	1.24	1.20	1.12	1.21
Commodities	4/14/23	3/31/23	12/30/22	9/30/22	6/30/22
Crude Oil (WTI)	82.52	75.67	80.26	79.49	105.76
Gold	2,016	1,986	1,826	1,672	1,807
Volatility	4/14/23	3/31/23	12/30/22	9/30/22	6/30/22
CBOE VIX	17.07	18.70	21.67	31.62	28.71

U.S. style % total returns (S&P indexes)						
Week			YTD			
Value	Core	Growth	Value	Core	Growth	
0.94	0.82	0.71	5.64	8.31	10.76	Large
1.52	1.76	1.98	0.98	2.92	4.79	Mid
0.98	1.22	1.46	1.36	1.03	0.76	Small

Data Source: Truist, FactSet



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Commonly used acronyms— SAAR = seasonally adjusted annual rate— MoM = month-over-month change— QoQ = quarter-over-quarter change— YoY = Year-over-year change— K = thousands— M = millions. Investing in the bond market is subject to certain risks, including market, interest rate, issuer and inflation risk— investments may be worth more or less than the original cost when redeemed. The value of most bond strategies and fixed income securities are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and more volatile than securities with shorter durations— bond prices generally fall as interest rates rise, and values rise when interest rates decline.

S&P 500 Index is comprised of 500 widely-held securities considered to be representative of the stock market in general.

S&P 500 Information Technology Index —a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the information technology sector based on GICS® classification.

The CBOE Volatility Index® (VIX®) is a measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

MSCI ACWI Index (MSCI All Country World) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.

MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI EM Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Bloomberg Global Aggregate Index is an index of investment grade debt including treasury, government-related, corporate and securitized debt, from 24 local currency benchmarks.

Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

The ICE BofAML U.S. High Yield Index tracks the performance of below investment grade, but not in default, U.S. dollar denominated corporate bonds publicly issued in the U.S. domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P.

The Bloomberg Municipal Bond Blend 1-15 Year (1-17 Yr) is an index of municipal bonds with a minimum credit rating of at least Baa, issued as part of a deal of at least \$50 million, that have a maturity value of at least \$5 million and a maturity range of 12 to 17 years.

The Bloomberg U.S. Corporate High Yield measures the USD-denominated high yield fixed-rate corporate bond market. Bonds are classified as high yield if they are rated below BBB by Moody's and S&P.

The Bloomberg Dollar Spot Index tracks a basket of 10 leading global currencies versus the U.S. dollar.

The ICE BofAML Global Government ex U.S. Index tracks the performance of publicly issued investment grade sovereign debt denominated in the issuer's own domestic currency excluding all securities denominated in U.S. dollars.

JP Morgan EMBI Global Diversified index includes only USD-denominated emerging markets sovereign bonds and the traditional, market capitalization weighted method for country allocation is modified to limit the weights of index countries with larger debt loads by only including a specified portion of the eligible fact amounts of the debt outstanding.

The Bloomberg Commodity Index is a composition of futures contracts on physical commodities in five sectors including energy, agriculture, industrial metals, precious metals and livestock.

The S&P U.S. REIT index measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

IA SBBBI U.S. Large Stock Index measures the total return of U.S. large cap stocks on a monthly basis.

IA SBBBI Intermediate-Term Government Bond Index measures the total return of U.S. intermediate-term government bonds on a monthly basis.

IA SBBBI U.S. 30-day T-Bill index measures the total return of T-Bills with a maturity of one month on a monthly basis.

The S&P 500 High Beta index measures the performance of 100 constituents in the S&P 500 that are the most sensitive to changes in market returns.

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