

In focus

Earnings were in the spotlight last week, and reports have largely been viewed favorably mid way through earnings season. Both the number and magnitude of positive earnings surprises are running ahead of their 10-year averages, as 79% of S&P 500 companies that have reported Q1 results have beaten earnings estimates. This strength, particularly from giant tech companies, pushed the S&P 500 to a solid weekly gain after a rocky start, which included the first one-day decline of over 1% in 22 trading days.

Looking ahead to second quarter results, analysts have cut earnings estimates by less than average. This comes as the economy grew less than expected in the first quarter, though GDP growth remained positive. Treasury yields dropped at longer maturities, but trepidation around the debt ceiling stalemate has caused a mismatch at the front end of the yield curve. While 3- and 6-month Treasury yields remain elevated, 1-month yields plunged in April, though some of these gains were given back late last week.

Following Friday's Personal Consumption Expenditure (PCE) print that showed inflation continues to moderate, the Federal Reserve (Fed) will release their policy rate decision this week. Futures markets are pricing in a roughly 90% chance of a 0.25% hike before a likely pause in June. Investors will keep a close eye on Chairman Powell's comments following the rate decision before turning to key labor data set to be released on Friday.

A look back

- U.S. equities outperformed last week, with the S&P 500 up 0.9%. Emerging markets lagged for a second-straight week.
- Treasury yields fell at maturities longer than 1 year, with the 10-year falling back beneath 3.50%. The 3-month/10-year inversion deepened and is now below -1.65%.
- U.S. GDP growth remained positive in the first quarter but slowed significantly relative to the fourth quarter of 2022 and missed consensus expectations.

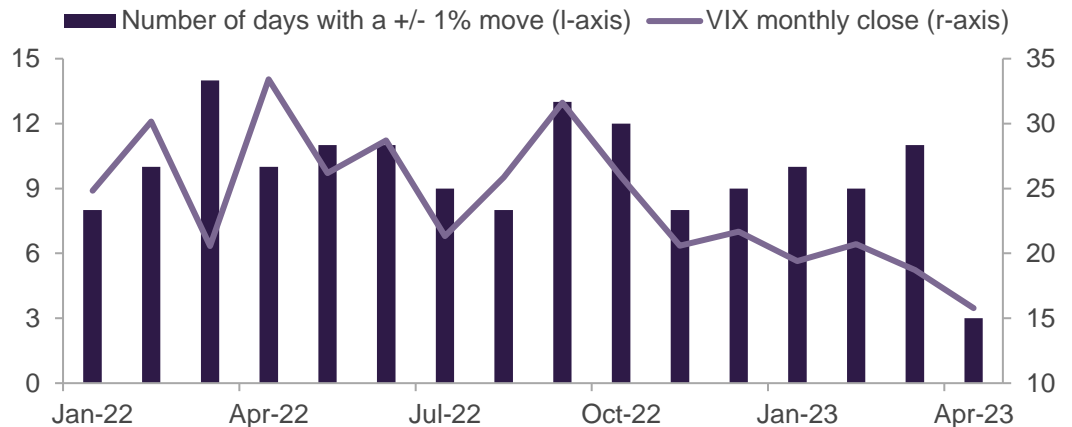
A look ahead

- The Fed will announce their policy rate decision on Wednesday. Markets are expecting one final 25 basis point hike, but a pause is also on the table.
- Earnings remain in focus with roughly a third of S&P 500 companies set to report Q1 results. Health care and utilities, two underperforming sectors year to date, will be in the limelight.
- Economic releases: ISM & S&P Global U.S. Manufacturing & Services, FOMC rate decision, and the Unemployment Rate.

Chart of the week – S&P 500 trapped in a tight range

The S&P 500 moved more than 1% in either direction on just three days in April. Since the start of 2022, no other month has had fewer than eight such days. Meanwhile, the CBOE Volatility Index (VIX) steadily dropped in April and closed the month at its lowest level since November 2021.

S&P 500 daily moves greater than +/- 1%



Data Source: Truist IAG, FactSet



Wealth

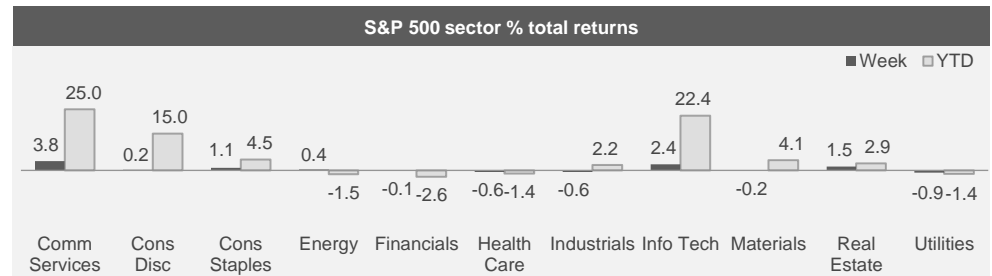
Market Pulse

As of April 28, 2023

Index % Total Return	Week	MTD	QTD	YTD	1 Yr
MSCI ACWI (net)	0.44	1.44	1.44	8.85	2.06
S&P 500	0.89	1.56	1.56	9.17	2.66
MSCI EAFE (net)	0.10	2.82	2.82	11.53	8.42
MSCI Emerging Markets (net)	-0.27	-1.13	-1.13	2.78	-6.51
Dow Jones Industrials	0.86	2.57	2.57	3.53	5.64
Bloomberg Commodity Index	-1.10	-0.75	-0.75	-6.07	-16.60
Bloomberg Aggregate	0.83	0.61	0.61	3.59	-0.43
ICE BofA US High Yield	0.48	0.93	0.93	4.68	1.01
Bloomberg Municipal Bond Blend 1-15 Year	0.03	-0.28	-0.28	1.99	3.50
ICE BofA Global Government xUS (USD Unhedged)	0.76	-0.18	-0.18	2.76	-6.18
ICE BofA Global Government xUS (USD Hedged)	0.99	0.22	0.22	3.41	-2.92

Rates (%)	4/28/23	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	5.30	5.19	4.76	3.75	2.28
T-Bill, 3-Month	5.07	4.75	4.41	3.23	1.64
2-Year Treasury	4.05	4.06	4.41	4.20	2.93
5-Year Treasury	3.53	3.60	4.00	4.03	3.00
10-Year Treasury	3.44	3.49	3.87	3.79	2.97
30-Year Treasury	3.67	3.68	3.96	3.76	3.12
Bloomberg Aggregate (YTW)	4.35	4.40	4.68	4.75	3.72
Bloomberg Municipal Bond Blend 1-15 Year	3.04	2.87	3.18	3.73	2.82
ICE BofA US High Yield	8.36	8.50	8.95	9.58	8.93
Currencies	4/28/23	3/31/23	12/30/22	9/30/22	6/30/22
Euro (\$/€)	1.10	1.09	1.07	0.98	1.05
Yen (¥/\$)	136.17	133.09	131.95	144.75	135.86
Pound (\$/£)	1.26	1.24	1.20	1.12	1.21
Commodities	4/28/23	3/31/23	12/30/22	9/30/22	6/30/22
Crude Oil (WTI)	76.78	75.67	80.26	79.49	105.76
Gold	1,999	1,986	1,826	1,672	1,807
Volatility	4/28/23	3/31/23	12/30/22	9/30/22	6/30/22
CBOE VIX	15.78	18.70	21.67	31.62	28.71

U.S. style % total returns (S&P indexes)						
Week			YTD			
Value	Core	Growth	Value	Core	Growth	
0.90	0.89	0.88	6.97	9.17	11.20	Large
-0.01	-0.31	-0.59	1.42	2.99	4.50	Mid
-0.56	-1.00	-1.44	0.56	-0.28	-1.06	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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