

# April 2022 Market Watch

U.S. markets gave back last month's gains and ended lower in April as continued inflation and rising interest rates concerns, supply chain and labor shortages, the Russia-Ukraine war, and the Chinese lockdowns on the back of their zero Covid policy weighed on markets. The S&P 500 closed -8.8% while the NASDAQ closed -13.3%. After last month's U.S. Federal Reserve +0.25% increase in rates, inflation concerns were still at the forefront with U.S. inflation at the highest level since 1981 (8.5%). The Fed's April FOMC meetings reflected the likelihood of 50 basis point (+0.50%) hikes at each of the upcoming three Fed meetings in May, June, and July. Overall, central banks globally face substantial challenges as they look to tighten policy to help bring inflation back down to targets without tipping the economy into recession.

First quarter earnings and sales for 2022 have beaten estimates so far and were up YoY (8.5% / 11.9%, respectively), but they were down from the record fourth quarter 2021 numbers (-9.3% / -3.8% respectively).

All eyes continue to be on the resolution of the Russian-Ukrainian conflict, inflationary policy, and global economic growth.

	Date	1 Week Ago		1 Month Ago		YTD	1 Year Ago	
	4/30/22	3/23/22	% chg*	3/31/22	% chg*	% chg*	4/30/21	% chg*
<b>DJIA</b>	32,977.2	33,811.4	-2.5%	34,678.4	-4.9%	-9.2%	33,874.9	-2.6%
<b>S&amp;P 500</b>	4,131.9	4,271.8	-3.3%	4,530.4	-8.8%	-13.3%	4,181.2	-1.2%
<b>NYSE Comp Index</b>	15,615.3	16,056.9	-2.8%	16,670.9	-6.3%	-9.0%	16,219.3	-3.7%
<b>NASDAQ Composite</b>	12,334.6	12,839.3	-3.9%	14,220.5	-13.3%	-21.2%	13,962.7	-11.7%
<b>Russell 2000</b>	1,864.1	1,940.7	-3.9%	2,070.1	-10.0%	-17.0%	2,266.4	-17.8%
<b>MSCI EM (Emerging Markets)</b>	1,076.2	1,075.6	0.1%	1,141.8	-5.7%	-12.6%	1,347.6	-20.1%
<b>MSCI EAFE</b>	2,033.7	2,082.0	-2.3%	2,181.6	-6.8%	-12.9%	2,268.5	-10.4%
<b>Japan Nikkei 225</b>	26,847.9	27,105.3	-0.9%	27,821.4	-3.5%	-6.8%	28,812.6	-6.8%
<b>FTSE 100</b>	7,544.6	7,521.7	0.3%	7,515.7	0.4%	3.7%	6,969.8	8.2%
<b>SSE Comp Index</b>	3,047.1	3,086.9	-1.3%	3,252.2	-6.3%	-16.3%	3,446.9	-11.6%

## US Equity Sector Performance

	April	YTD	1 Yr Ret.
<b>Consumer Discretionary</b>	-13.0%	-20.9%	-10.8%
<b>Consumer Staples</b>	2.6%	1.5%	16.5%
<b>Energy</b>	-1.5%	36.9%	60.8%
<b>Financials</b>	-9.9%	-11.2%	-3.0%
<b>Health Care</b>	-4.7%	-7.2%	9.2%
<b>Industrials</b>	-7.5%	-9.7%	-5.3%
<b>Information Tech</b>	-11.3%	-18.7%	1.9%
<b>Materials</b>	-3.5%	-5.8%	4.4%
<b>Communication Services</b>	-15.6%	-25.7%	-22.5%
<b>Utilities</b>	-4.3%	0.3%	10.1%
<b>Real Estate</b>	-3.4%	-9.1%	12.5%

## US Equity Style Performance

	April	YTD	1 Yr Ret.
<b>Dow Jones Utilities</b>	-4.0%	1.9%	8.8%
<b>DJ TRANS Avg.</b>	-8.7%	-9.5%	-2.0%
<b>Russell 1000 Value</b>	-5.6%	-6.3%	1.3%
<b>Russell 1000 Growth</b>	-12.1%	-20.0%	-5.3%
<b>Russell 2000 Value</b>	-7.8%	-10.0%	-6.6%
<b>Russell 2000 Growth</b>	-12.3%	-23.3%	-26.4%

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## Bond Markets (%)

	4/30/22	1 Mth Ago	1 Yr Ago
US Benchmark Bond – 3 Mth	0.84	0.52	0.02
US Benchmark Bond – 6 Mth	1.37	1.00	0.03
US Benchmark Bond – 2 Yr	2.69	2.29	0.16
US Benchmark Bond – 5 Yr	2.91	2.42	0.85
US Benchmark Bond – 10 Yr	2.89	2.32	1.63
US Benchmark Bond – 30 Yr	2.94	2.45	2.30

U.S. equity sectors closed lower across the board led by Communications -15.6%, Consumer Discretionary -13%, and Info Tech -11.3%. Consumer Staples was the only positive sector +2.6% in the month.

Both Developed International Equities (MSCI EAFE) -6.8% and Emerging Market (MSCI EM) -5.7% closed the month lower as the ongoing Russian-Ukrainian conflict intensified with no signs of resolution and the China lockdowns continued to create uncertainty around global growth. With Chinese cities, like Shanghai, in full lockdown, China's 5.5% growth target seems difficult to achieve. Inflation is still a big area of focus and German consumer prices unexpectedly accelerated to fastest pace on record, jumping 7.8% YoY in April versus consensus of 7.6%. In France, Emmanuel Macron was re-elected for a second five-year term as president.

Bond markets reacted sharply to Fed Reserve Chair, Powell's more hawkish (bullish, inclined to raise interest rates) tone in the April FOMC meeting. The U.S. yield curve widened slightly from previous month. The 2-Yr note rose to 2.69%, 10-Yr to 2.89%, and the 30-Yr to 2.94%.

The Bloomberg Commodity Index rallied again and closed up +4.1% along with WTI crude oil up +4.4%, staying above \$100/barrel while Brent was just shy of \$110/barrel. Gold closed down -2.2%.

## Commodities (In US dollars)

	4/30/22	1 Mth Ago	1 Yr Ago
Gold	1,911.70	1,954.00	1,767.70
Crude Oil	104.69	100.28	63.58
US Dollar Index	102.96	98.36	91.27
Bloomberg Commodity Index	129.48	124.41	90.36

## US Bond Sector Performance

	April	YTD	1 Yr Ret.
Bloomberg Barclays U.S. Govt. Intrm. TR	-1.59%	-5.71%	-6.03%

## Interest Rates (%)

	4/30/22	1 Mth Ago	1 Yr Ago
Prime Rate	3.50	3.50	3.25
Federal Funds Rate	0.34	0.34	0.07
Labor Rate 30 Day	0.80	0.45	0.11
Labor Rate 3 Months	1.33	0.96	0.18
30yr Fixed Mortgage	5.10	4.67	2.98

## Exchange Rates (per US dollar)

	4/30/22	1 Mth Ago	1 Yr Ago
Canadian Dollar	1.278	1.249	1.230
Mexican Peso	20.409	19.942	20.175
Euro	0.948	0.899	0.831
British Pound	0.796	0.760	0.722
Swiss Franc	0.971	0.920	0.912
Chinese Yuan	6.587	6.343	6.472
Indian Rupee	76.443	75.775	74.073
Japanese Yen	129.560	121.375	109.305

## Economic Sentiment

	4/30/22	1 Yr Ago
Unemployment Rate	3.60%	6.00%
Average Single Family Home	391,200	367,500
Capacity Utilization	78.30%	74.79%

\*Performance for world indices represents price returns (excluding dividends) for the DJIA, S&P 500, NASDAQ, Russell 2000, MSCI EM, MSCI EAFE, NYSE, SSE, and Nikkei, due to data availability.

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