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April 2023 | Markets Summary

Mixed markets in April as economic crosscurrents continue.

Equity Markets

The disparity in market returns continued in April. The collapse of First Republic prompted investors to flee to large stocks and avoid cyclical and financial stocks. The S&P 500 return in April was +1.56%, while the S&P 400 Mid Cap and S&P 600 Small Cap losses were -.78% and -2.78%, respectively. More than half of the S&P 1500 Composite Index stocks fell in price with a median decline of -5.11%. Large cap value stocks beat large cap growth stocks, while small value stocks trailed. Investor sentiment surveys have reached extreme pessimism, providing room for an upside surprise. Global equity markets exceeded the U.S. market returns, aided by a declining dollar.

Fixed Income Markets

Fixed income markets rebounded in April. Intermediate-and long-term yields were flat, while short-term yields rose in response to expected Fed policy decisions. Credit markets were calm despite the stress in several regional banks. Credit spreads narrowed slightly, with investment grade spreads below the average of the past 15 years and below investment grade slightly above the long-term average. Fed fund futures anticipate a pivot in late 2023 with the likelihood of rate cuts in September and November. Future policy decisions remain data dependent with a focus on credit tightening.

INVESTMENTS ARE:

Not Insured by FDIC or Any Other Government Agency	Not Bank Guaranteed
Not Bank Deposits or Obligations	May Lose Value