



111 E. Washington Street
Charles Town, WV 25414
BCTWealth@mybct.bank
(304) 728-2435

January Markets Summary

Equity Markets

U.S. equity markets started 2023 with the strongest January return since 2019 and 9th best since 1957. The S&P 500 Index total return was 6.28% while the Mid Cap 400 and Small Cap 600 returned 9.23% and 9.49% respectively. Cyclical stocks outpaced defensive stocks as concerns receded over an economic downturn. A rising market also portends a return to risk with growth stock indexes exceeding value stocks. Positive momentum carried throughout January with indexes closing at the intra-month high. Global equity bourses followed the move in U.S. Equity Indexes. The S&P Global BMI ex-U.S. total return in January was 7.85% with both developed and emerging market returns besting the U.S. benchmark returns.

Fixed Income Markets

Bonds rallied to begin the year after a poor 2022. Three-month T Bill yields rose 33 basis points to 4.69%, prompted by a 25 basis point increase by the Federal Reserve, while the 10-year Treasury declined 8 basis points to 3.53%. The Treasury yield curve of -116 basis points is the steepest inversion over four decades and portends declining economic activity and a sharp drop in future inflation. Investment grade credit spreads declined slightly in January – remaining well below the median of the past ten years.

INVESTMENTS ARE:

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