



Weekly Recap

Major U.S. equity indices fell to start the week with analysts signaling last week's move was an overreaction to Fed Chair Powell's speech. On Tuesday, Goldman Sachs held the U.S. Financial Services Conference inviting major bank executives to speak about the state of the economy and consumer health heading into 2023. The U.S. consumer is generally viewed as healthy with JPMorgan's Jamie Dimon highlighting consumer savings of \$1.5 Trillion and delinquency rates remaining below pre-pandemic levels. In addition, participants highlighted strong employment rates citing the Department of Labor reporting unemployment as of November at 3.7%. With that said, the financials sector lagged the broader market this week as a result of expectations for a weakening in consumer spending and expectations of a potential economic slowdown to commence in 2023 with unemployment reaching 5%. On Wednesday, Manheim used-vehicle value index reported used car prices had dropped 0.3% month over month and 14.2% year over year in November, a positive note for consumers and another indication that inflation is peaking domestically. To end the week, U.S. equities traded higher on Thursday with the S&P 500 breaking five consecutive days of negative returns, but stocks sold off late in the day on Friday adding to the week's considerable losses. Lastly, the energy sector was the largest laggard this week dropping almost 8% due to Crude Oil WTI declining to just under \$72, down from June highs of over \$120 a barrel.

Key Thought for The Week

Market lore suggests equity market investors enjoy a "Santa Claus rally" in December, as U.S. stocks charge ahead around the holidays and into year-end, delivering higher returns for investors. The trend incorporates seven trading days, the last five of the calendar year and the first two of the new year. The reason is not entirely clear – perhaps a combination of optimism about the coming year, holiday spending, thin market participation (many stock traders take vacation), and institutions squaring their books into year-end? Since 1950 the S&P 500 Index advanced an average of 1.3% per year during those seven days every year and was positive the entire year in 79% of those years, according to one estimate. By comparison, S&P 500 returns were a much smaller 0.24% during all other seven-day trading periods dating to 1950, with stocks positive only 58% of the time over those periods. In the past two decades, the S&P 500 Index — a barometer of U.S. stock performance — has increased by 0.7% a year, on average, over those seven trading days, according to FactSet data. FactSet found the S&P 500 was positive during those seven days 75% of the time (15 of 20 years). If history is a guide, stock investors may expect a gift over the holidays, but with gains of 8% in October and 5.4% in November, Santa may have arrived early this year.

	12/9/2022	Wk Net Change	Wk % Change	Div Yield	YTD Change	12 Mos % Change
STOCKS	Close					
DJIA	33,476.46	-953.42	-2.77	2.05	-7.88	-6.37
S&P 500	3,934.38	-137.32	-3.37	1.71	-17.45	-15.71
NASDAQ	11,004.62	-456.88	-3.99	0.95	-29.66	-29.08
S&P MidCap 400	2,469.58	-104.42	-4.06	1.79	-13.10	-11.08
EAFE	1,961.62	-21.62	-1.09	3.32	-16.03	-14.57
Emerging Market	969.21	-4.63	-0.48	3.20	-21.33	-22.32

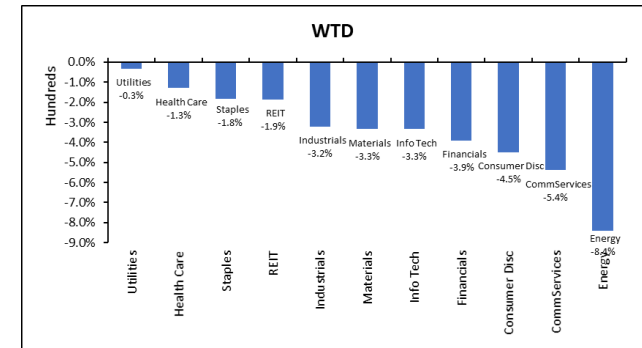
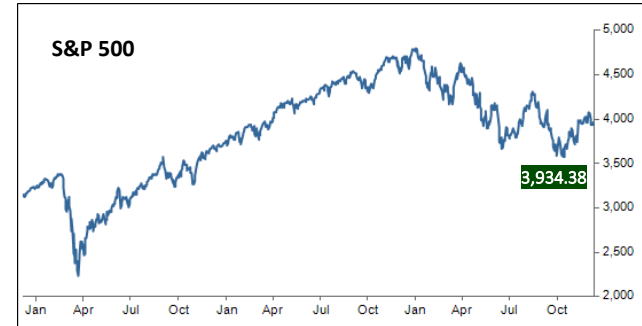
	Yield	FOREX Price	Wk % Change
TREASURIES			
2-Year	4.35	USD/EUR	1.05 0.05
5-Year	3.77	JPY/USD	136.56 -1.65
10-Year	3.58	USD/GBP	1.23 -0.17
30-Year	3.56	CAD/USD	1.36 -1.30

Source: FactSet/Bloomberg

Sector - Large Cap

	Close	Wk Net Change	WTD	MTD	QTD	YTD
Defensive						
Staples	789.18	-14.71	(1.8%)	(1.9%)	13.4%	(1.9%)
Health Care	1,605.20	-20.98	(1.3%)	(0.8%)	13.7%	(2.4%)
CommServices	164.19	-9.36	(5.4%)	(5.1%)	1.3%	(38.6%)
Eco Sensitive						
Consumer Disc	1,079.62	-50.67	(4.5%)	(4.8%)	(3.8%)	(33.0%)
Energy	629.47	-57.73	(8.4%)	(9.3%)	13.9%	48.9%
Industrials	835.70	-27.67	(3.2%)	(2.6%)	19.3%	(6.6%)
Info Tech	2,281.80	-78.82	(3.3%)	(3.8%)	9.7%	(25.3%)
Materials	507.77	-17.51	(3.3%)	(2.3%)	18.7%	(10.9%)
Interest Rate Sensitive						
Financials	572.33	-23.23	(3.9%)	(5.0%)	13.5%	(12.0%)
Utilities	357.73	-1.16	(0.3%)	(1.0%)	7.6%	(1.6%)
REIT	239.51	-4.52	(1.9%)	(2.6%)	6.0%	(26.2%)

COMING UP NEXT WEEK		Consensus	Prior
12/13 CPI ex-Food & Energy SA M/M	(Nov)	0.30%	0.30%
12/13 CPI NSA Y/Y	(Nov)	7.3%	7.7%
12/14 FOMC Meeting	-	-	-
12/15 Empire State Index SA	(Dec)	-1.5	4.5
12/15 Philadelphia Fed Index SA	(Dec)	-11.5	-19.4
12/15 Retail Sales ex-Auto SA M/M	(Nov)	0.30%	1.3%
12/15 Retail Sales SA M/M	(Nov)	0.0%	1.3%
12/16 Markit PMI Manufacturing SA (Preliminary)	(Dec)	47.8	47.7
12/16 Markit PMI Services SA (Preliminary)	(Dec)	46.0	46.2



Russell Style Return

	WTD	Value	Blend	Growth
Large	(3.35%)	(3.48%)	(3.62%)	
Medium	(3.68%)	(3.87%)	(4.20%)	
Small	(4.67%)	(5.06%)	(5.44%)	

	YTD	Value	Blend	Growth
Large	(7.03%)	(17.25%)	(26.14%)	
Medium	(10.75%)	(15.80%)	(24.86%)	
Small	(12.68%)	(18.96%)	(25.18%)	

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