



## Weekly Update 10/17/22

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	-1.53%	-23.87%
International Developed	MSCI EAFE	-1.35%	-26.68%
Emerging Market	MSCI EM	-3.81%	-28.17%
Fixed Income	Bloomberg US Agg Bond	-0.25%	-15.84%

Index returns are from YCharts and are calculated on a total return basis, with dividends reinvested.

Stocks were lower on the week as a fresh round of inflation and economic concerns weighed on US markets. September's core inflation figures were higher than expected (6.6% vs expectations of 6.3%) dashing any hope that the Fed might be able to slow the pace of rate hikes. The composition of the report showed a continued acceleration in services inflation, which tends to be more sticky, even as goods inflation continues to trend lower. As a result, another 1.00%-1.50% in rate hikes from the Fed is expected through the end of the year.

As the Fed has increased rates, a stronger US Dollar has added another wrinkle in the story for markets this year, and has been a key contributor to the declines in international equities.

Generally speaking, a strong dollar is a negative for international markets, particularly emerging markets, as large sums of debt are dollar-denominated. This increases the fiscal burden for foreign institutions, and is something to monitor.



\*The ICE (Intercontinental Exchange) US Dollar index is a measure of the value of the US Dollar against a basket of foreign currencies. A higher value indicates dollar strength relative to the other currencies.