



STRAIGHTLINE

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Weekly Update

5/22/23

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	1.71%	9.91%
International Developed	MSCI EAFE	0.38%	11.73%
Emerging Market	MSCI EM	0.52%	3.04%
Fixed Income	Bloomberg US Agg Bond	-1.37%	1.88%

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

Stocks were higher last week, while bonds sold off. Up to this point, we have had mixed reports on the debt ceiling talks. While it initially looked like some progress was being made, talks stalled over the weekend. Investors seem to continue to expect a last-minute deal, as markets have not reacted in a way that would signal any significant concern. Things could change quickly though if progress remains limited. Absent any other major developments, the debt ceiling is likely to remain a key short-term focus until resolved. While stocks generally continue to do well, we saw bond yields rise last week, as investors are perhaps getting wise to the idea that rate cuts might not be as soon or as much of a foregone conclusion as markets had been pricing in. Ultimately a lot will hinge on what the economy looks like in the second half of this year. For now, as we remain in an ongoing recession watch, the economy seems to be chugging along at a respectable pace.