



### Weekly Recap

Following a three-week losing streak, markets sought to regain momentum in the face of uncertain macro conditions. After hitting a 16-year high of 4.25% a week earlier, the 10-year Treasury yield eased slightly to 4.24% as investors received an economic update from Fed Chairman Powell in his highly anticipated Jackson Hole speech. He continued his narrative on fighting inflation in pursuit of their 2.0% target, but also pointed to the resilience of the U.S. consumer, as GDP growth, corporate earnings, and unemployment have been mostly better than expected. Retail sales and industrial production have also picked up in recent weeks, although there were mixed earnings results and commentary from retailers. However, headwinds remain, including sticky inflation, warnings of potential down-grades from credit agencies, and troubling economic developments in China. Another key event this week was Nvidia's earnings report on Wednesday, which was an important test for the validity of the tech rally going into the final quarter of the year. The company's impressive beats on both the top and bottom lines silenced concerns over lofty expectations from Wall Street. Strong earnings and a sharp increase in guidance signal that the new age of accelerated computing and generative AI is here. However, the question remains of how long it will take for AI to drive substantial productivity gains for the broader economy. Equity markets finished the week mostly positive, with the S&P up 0.82%, the Nasdaq up 2.26%, and the Dow Jones down 0.45%.

### Key Thought for The Week

This week, all eyes were on Jackson Hole, Wyoming, where Federal Reserve Chairman Jerome Powell took the stage on Friday morning to provide an update on the Fed's long-term goals as part of the central bank's three-day gathering. Investors did not expect a speech nearly as momentous as Chairman Powell's succinct remarks in August 2022, when he cautioned that the U.S. might need to endure a "lengthy period of very restrictive monetary policy" that would "bring some pain." But they did hope to pick up some clues as to where the economy and interest rates are headed. Chair Powell attempted to strike a balance in his speech between two opposing camps within the Federal Reserve. Some Fed officials think the tightening to date has not entirely worked its way through the economy. However, a board faction believes much of the impact of the Fed's rapid interest rate hikes has already been felt and wants to see inflation head back to the 2% target before ending its campaign. In a longer address than last year, Chairman Powell took a somewhat hawkish tone but stressed that future rate decisions would be data dependent. The continued strength and faster-than-expected growth of the U.S. economy is keeping inflation high even though it has eased substantially over the past year and may require additional interest rate hikes. Officials at the central bank remain prepared to do whatever it takes to bring the rate down to the 2% target, which they view as acceptable. Chair Powell reiterated that the Fed intends to maintain a restrictive rate policy but also commented that they cannot determine the neutral rate of interest.

8/25/2023	Wk Net Change	Wk % Change	Div Yield	YTD % Change	12 Mos % Change
<b>STOCKS</b>	Close				
DJIA	34,346.90	-153.76	-0.45	2.08	3.62
S&P 500	4,405.71	36.00	0.82	1.57	14.75
NASDAQ	13,590.65	299.87	2.26	0.80	29.85
S&P MidCap 400	2,579.20	0.34	0.01	1.70	6.12
EAFE	2,073.74	16.10	0.78	3.36	6.68
Emerging Market	982.31	17.87	1.85	2.95	2.71

TREASURIES	Yield	FOREX	Price	Wk % Change
1-Year	5.45	USD/EUR	1.08	-0.71
2-Year	5.08	JPY/USD	146.44	-0.72
5-Year	4.44	USD/GBP	1.26	-1.23
10-Year	4.24	CAD/USD	1.36	-0.35
30-Year	4.29			

Source: FactSet/Bloomberg

### Sector - Large Cap

	Close	Wk Net Change	WTD	MTD	QTD	YTD
<b>Defensive</b>						
Staples	760.16	-5.82	(0.8%)	(4.3%)	(2.4%)	(2.4%)
Health Care	1,552.14	-2.25	(0.1%)	(0.6%)	0.2%	(2.1%)
CommServices	220.84	2.14	1.0%	(4.3%)	2.2%	38.6%

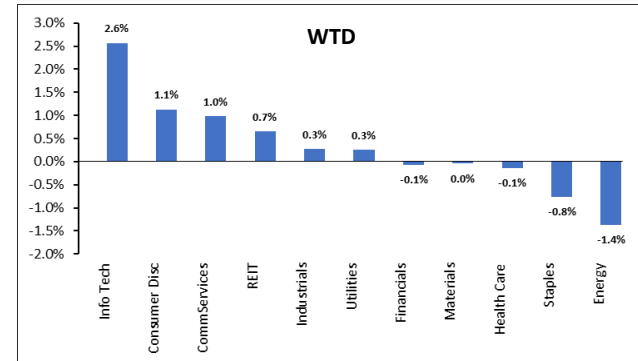
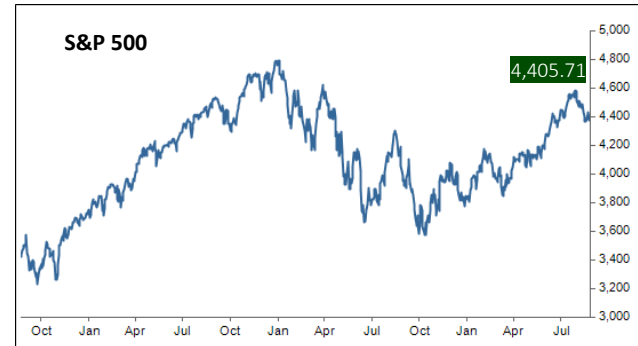
### Eco Sensitive

Consumer Disc	1,298.21	14.54	1.1%	(4.7%)	(2.4%)	29.1%
Energy	666.18	-9.25	(1.4%)	(0.4%)	6.8%	(0.9%)
Industrials	899.43	2.47	0.3%	(3.7%)	(1.0%)	8.2%
Info Tech	2,995.81	75.07	2.6%	(5.4%)	(2.9%)	37.9%
Materials	507.99	-0.21	(0.0%)	(5.8%)	(2.7%)	3.8%

### Interest Rate Sensitive

Financials	563.31	-0.37	(0.1%)	(4.1%)	0.4%	(1.1%)
Utilities	321.65	0.85	0.3%	(5.6%)	(3.4%)	(10.3%)
REIT	225.79	1.48	1.5%	(4.6%)	(3.3%)	(1.7%)

	COMING UP NEXT WEEK	Consensus	Prior
08/29	Consumer Confidence	(Aug)	116.5
08/29	JOLTS Job Openings	(Jul)	9,524K
08/30	GDP SAAR Q/Q (Second Preliminary)	(Q2)	2.4%
08/30	Pending Home Sales M/M	(Jul)	-0.75%
08/31	Personal Consumption Expenditure SA M/M	(Jul)	0.70%
08/31	Personal Income SA M/M	(Jul)	0.30%
08/31	Chicago PMI SA	(Aug)	44.0
09/01	Hourly Earnings SA M/M (Preliminary)	(Aug)	0.35%
09/01	Nonfarm Payrolls SA	(Aug)	175.0K
09/01	Unemployment Rate	(Aug)	3.5%
09/01	ISM Manufacturing SA	(Aug)	46.5



### Russell Style Return

WTD	Value	Blend	Growth
Large	(0.21%)	0.81%	1.73%
Medium	(0.16%)	0.12%	0.84%
Small	(0.91%)	(0.29%)	0.36%

YTD	Value	Blend	Growth
Large	4.36%	15.71%	27.82%
Medium	3.63%	6.84%	12.30%
Small	2.53%	6.24%	9.63%

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