



Weekly Recap

Following last week's elevated CPI and PPI readings, all eyes turned to the Fed as they increased the Fed Funds Rate by 25 basis points to 4.75%-5.00%. According to Chairman Powell, additional rate hikes may be necessary but recognized that credit conditions have tightened as a result of the ongoing developments in the banking industry. We also received information on where the Fed sees rates going in the future via their dot plot forecast. The median dot plot forecast for December 2023 is in line with the previous forecast at 5.1%. However, the Fed now projects the Fed Funds Rate will end 2024 at 4.3%, which is slightly higher than last quarter's forecast. In economic news, jobless claims came in at 191,000 for the week ending March 18th, better than the 195,000 expected, confirming signs of a strong labor market amid the Fed's quantitative tightening. The median price of an existing home sold in February dropped 0.2% year-over-year (y/y) to \$363,000 resulting in the first y/y price decline in nearly 11 years. Month-over-month, existing home sales increased 14.5% to a seasonally adjusted annualized rate of 4.58 million beating expectations for 4.20 million. The equity markets ended the week on a positive note. The NASDAQ was up 1.66% with the S&P 500 and Dow Jones Industrial Average up 1.39% and 1.18%, respectively. Communication services was the big winner finishing the week up 3.4% followed by energy posting a 2.3% gain. Real estate underperformed, down 1.4% for the week followed by utilities down 1.2%.

Key Thought for The Week

Last year, the disparity in performance between value stocks and growth stocks was exceptionally wide as evidenced by the Russell 1000 Value outperforming the Russell 1000 Growth by 21.6%. That trend has reversed so far in 2023, and over the past few weeks the relative outperformance of growth stocks versus their value counterparts has accelerated. Since March 6th, the Russell 1000 Growth has outperformed the Russell 1000 Value by over 7.5%, and there are a few key reasons why this has transpired. Firstly, during times of heightened uncertainty and market stress, investors tend to look to mega cap technology stocks as safe havens, most notably Apple and Microsoft. These two stocks alone make up a staggering 23.7% of the growth index while the value index has no exposure. Over the past three weeks, Apple and Microsoft have gained 6.1% and 9.9%, respectively, handily outperforming the broader market over that timeframe. Another factor to be highlighted is the difference in sector weightings between the two indexes. Given the recent fallout in bank stocks, the financial sector has meaningfully lagged the broader market, and financials make up a much larger 20.25% of the value index as compared to only 6.81% for the growth index. Lastly, the recent significant drop in interest rates has benefitted longer duration assets because their future cash flows are now being discounted at a lower rate. As an example, since March 6th the 10-year US Treasury Note yield has dropped from roughly 4.0% to 3.4%. This development has resulted in additional support for the relative out-performance of growth stocks.

For more information about our solutions: <http://peapackprivate.com>

The Weekly is a weekly market recap distributed to Peapack-Gladstone Bank clients. Securities and mutual funds are not FDIC insured, are not obligations of or guaranteed by Peapack-Gladstone Bank, and may involve investment risk, including possible loss of principal. Information provided for educational purposes only. This should not be relied upon as tax and/or investment advice. We encourage you to consult your personal legal, tax or financial advisors for information specific to your situation. Peapack-Gladstone Bank and its logo are registered trademarks.

3/24/2023		Wk	Wk	YTD	12 Mos
		Net	%	Div	%
		Change	Change	Yield	Change
STOCKS	Close				
DJIA	32,237.53	375.55	1.18	2.17	-2.74
S&P 500	3,970.99	54.35	1.39	1.73	-12.15
NASDAQ	11,823.96	193.45	1.66	0.91	-12.97
S&P MidCap 400	2,404.16	29.69	1.25	1.96	-1.08
EAFE	2,052.04	65.31	3.29	3.36	5.56
Emerging Market	977.78	26.22	2.76	3.20	2.24

TREASURIES		Yield	FOREX		Price	Change
			USD/EUR			
2-Year	3.77		1.08		0.84	
5-Year	3.41		JPY/USD	130.73	0.86	
10-Year	3.38		USD/GBP	1.22	0.49	
30-Year	3.65		CAD/USD	1.37	-0.09	

Sector - Large Cap

	Close	Wk Net Change	WTD	MTD	QTD	YTD
Defensive						
Staples	761.34	10.71	1.4%	1.3%	(2.3%)	(2.3%)
Health Care	1,484.65	21.84	1.5%	0.3%	(6.4%)	(6.4%)
CommServices	188.77	6.21	3.4%	8.8%	18.4%	18.4%

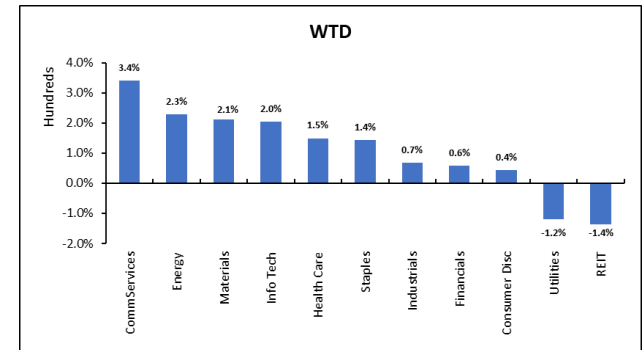
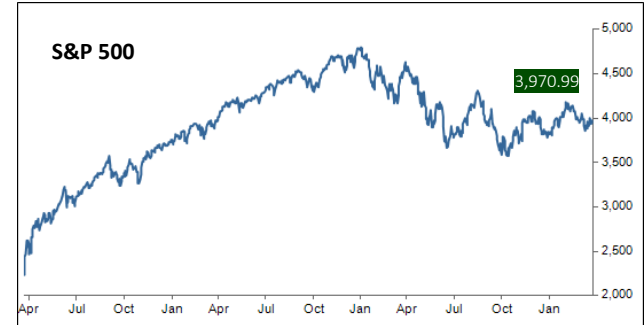
Eco Sensitive

Consumer Disc	1,102.47	4.81	0.4%	(2.4%)	9.6%	9.6%
Energy	598.03	13.39	2.3%	(6.3%)	(11.1%)	(11.1%)
Industrials	820.48	5.48	0.7%	(3.7%)	(1.3%)	(1.3%)
Info Tech	2,552.04	51.08	2.0%	7.2%	17.5%	17.5%
Materials	484.05	10.05	2.1%	(6.0%)	(1.1%)	(1.1%)

Interest Rate Sensitive

Financials	515.97	2.95	0.6%	(13.0%)	(9.4%)	(9.4%)
Utilities	333.82	-4.05	(1.2%)	1.5%	(6.9%)	(6.9%)
REIT	223.26	-3.12	(1.4%)	(6.9%)	(3.9%)	(3.9%)

COMING UP NEXT WEEK		Consensus	Prior
03/27	Dallas Fed Index	(Mar)	-10.6
03/28	Wholesale Inventories SA M/M (Preliminary)	(Feb)	-0.20%
03/28	Consumer Confidence	(Mar)	100.0
03/29	Pending Home Sales M/M	(Feb)	-
03/30	GDP SAAR Q/Q (Final)	(Q4)	2.7%
03/30	Initial Claims SA	(3/25)	-
03/31	Personal Consumption Expenditure SA M/M	(Feb)	-
03/31	Personal Income SA M/M	(Feb)	0.50%
03/31	S&P/Case-Shiller Comp.20 HPI M/M	(Jan)	-0.55%
03/31	Michigan Sentiment NSA (Final)	(Mar)	63.4



Russell Style Return

	WTD	Value	Blend	Growth
Large	1.00%	1.33%	1.64%	
Medium	0.75%	0.79%	0.85%	
Small	0.33%	0.53%	0.72%	

	YTD	Value	Blend	Growth
Large	(2.98%)	3.64%	10.73%	
Medium	(3.46%)	(0.77%)	4.24%	
Small	(4.17%)	(1.19%)	1.75%	