



Weekly Recap

Recent uncertainty in the banking sector quelled this week after First Citizens Bank agreed to acquire approximately \$110 billion in assets of the failed Silicon Valley Bank, while the FDIC will still have about \$90 billion of securities and other assets in receivership. The sector stabilized as the total Fed emergency lending fell 3% from the prior week. Trading for the week was positive even as attention shifts to the ISM manufacturing and services surveys due to be released early next week that could impact growth narratives. Investors will look to these indicators, among others, to gauge the Fed's next move as higher interest rates and inflation have placed pressure on companies' margins. Equities rose on Friday, after the Core Personal Consumption Expenditures (PCE) report came in slightly lower than the consensus at 0.3% for the month vs 0.4% expected, giving support to bullish narratives. The S&P 500 rose 3.48% closing the week above 4100 for the first time since mid February. The NASDAQ notched the best quarter since 2020 closing at +3.37%, while the Dow Jones closed +3.22%. Communication services, consumer discretionary and information technology sectors are now up 20.18%, 15.76% and 21.49% year to date, respectively, strongly rebounding from the lows of 2022.

Key Thought for The Week

Investors received information regarding consumer spending (i.e., which goods and services they purchased) in February with the Personal Income Expenditures (PCE) report on Friday morning. Personal income rose 0.3% during February (+0.4%, including revisions to prior months), matching consensus estimates. Incomes rose primarily due to private-sector wages and salaries that expanded more than inflation for the eighth consecutive month. Personal consumption rose 0.2% versus consensus expectations for +0.3%. Over the past year, personal income has increased 6.2%, while spending has grown by 7.6%. February's figures showed some moderation in the growth of inflation. However, inflation is still evident, as seen by an overall PCE deflator (consumer prices) that climbed 0.3% in February and is +5.0% year-over-year (YoY). The "core" PCE deflator, which excludes food and energy, also rose 0.3% in February and is up 4.6% in the past year. Overall consumer spending was driven by services expenditures which continued to recover from their decline during the pandemic, while outlays for goods were unchanged. Goods prices showed moderation (+3.6% YoY versus +10.6% in June), but service price inflation is stubbornly elevated (+5.7% versus +5.1% in June). Inflation may continue to affect the economy, which, while growing in recent months, may see more challenging days ahead.

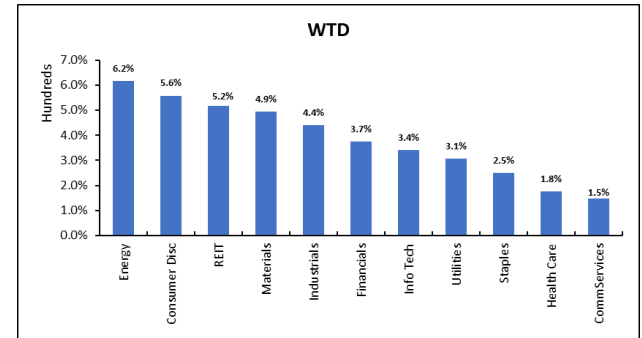
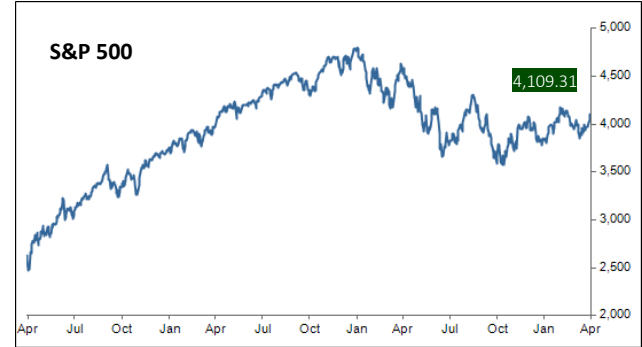
3/31/2023	Wk Net Change	Wk % Change	Div Yield	YTD Change	12 Mos % Change
STOCKS					
DJIA	33,274.15	1036.62	3.22	2.11	0.38
S&P 500	4,109.31	138.32	3.48	1.67	7.03
NASDAQ	12,221.91	397.95	3.37	0.88	16.77
S&P MidCap 400	2,512.16	108.00	4.49	1.88	3.36
EAFE	2,084.49	67.36	3.34	3.30	7.23
Emerging Market	985.77	13.60	1.40	3.18	3.07
				Wk % Change	
TREASURIES	Yield		FOREX	Price	Change
1-Year	4.62		USD/EUR	1.08	0.73
2-Year	4.03		JPY/USD	132.85	-1.60
5-Year	3.58		USD/GBP	1.23	0.85
10-Year	3.47		CAD/USD	1.35	1.69
30-Year	3.65				

Source: FactSet/Bloomberg

Sector - Large Cap

	Close	Wk Net Change	WTD	MTD	QTD	YTD
Defensive						
Staples	780.38	19.04	2.5%	3.8%	0.2%	0.2%
Health Care	1,510.73	26.08	1.8%	2.1%	(4.7%)	(4.7%)
CommServices	191.53	2.76	1.5%	10.4%	20.2%	20.2%
Eco Sensitive						
Consumer Disc	1,163.98	61.51	5.6%	3.0%	15.8%	15.8%
Energy	634.90	36.87	6.2%	(0.5%)	(5.6%)	(5.6%)
Industrials	856.59	36.11	4.4%	0.6%	3.0%	3.0%
Info Tech	2,638.98	86.94	3.4%	10.9%	21.5%	21.5%
Materials	507.92	23.87	4.9%	(1.3%)	3.8%	3.8%
Interest Rate Sensitive						
Financials	535.28	19.31	3.7%	(9.7%)	(6.0%)	(6.0%)
Utilities	344.01	10.19	3.1%	4.6%	(4.0%)	(4.0%)
REIT	234.78	11.52	5.2%	(2.1%)	1.0%	1.0%

COMING UP NEXT WEEK		Consensus	Prior
04/03 ISM Manufacturing SA	(Mar)	47.5	47.7
04/04 Durable Orders SA M/M (Final)	(Feb)	-1.0%	-1.0%
04/04 Factory Orders SA M/M	(Feb)	-0.40%	-1.6%
04/05 ADP Employment Survey SA	(Mar)	207.5K	242.0K
04/05 ISM Services PMI SA	(Mar)	53.8	55.1
04/07 Hourly Earnings SA M/M (Preliminary)	(Mar)	0.30%	0.20%
04/07 Nonfarm Payrolls SA	(Mar)	200.0K	311.0K
04/07 Unemployment Rate	(Mar)	3.6%	3.6%



Russell Style Return

	WTD	Value	Blend	Growth
Large	4.09%	3.67%	3.28%	
Medium	4.94%	4.85%	4.70%	
Small	3.65%	3.96%	4.25%	

	YTD	Value	Blend	Growth
Large	0.99%	7.45%	14.36%	
Medium	1.30%	4.04%	9.13%	
Small	(0.67%)	2.73%	6.07%	

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