

# Monthly Market Summary

## Market Update and Economic Developments

- International Developed Markets, measured by the MSCI EAFE Index, continued their strong performance in 2023, returning 2.82% in April and 11.53% year-to-date. Inflation in the U.S. and other developed markets appears to have peaked, aiding the positive performance across the indices.
- On April 24<sup>th</sup>, First Republic Bank’s earnings report showed the bank had lost \$102B in customer deposits since the start of the year. First Republic’s stock tumbled, closing on April 26<sup>th</sup> at just \$5.69, a decline from about \$150 a year earlier. By May 1<sup>st</sup>, the FDIC took over First Republic and immediately sold it to JP Morgan Chase.
- The United States officially hit its debt limit on January 19<sup>th</sup>. Since then, the Department of the Treasury has been working to prevent the binding of the debt limit, adding to the volatility across bond and equity markets. The Department of the Treasury is using accounting maneuvers to continue paying the government’s obligations and avoid a default. The president is set to meet with Republican and Democratic leaders at the White House on May 9<sup>th</sup> to discuss a path forward.



Benchmark Indexes: Large Cap = S&P 500; Mid Cap = Russell Mid Cap; Small Cap = Russell 2000; International Developed = MSCI EAFE; Emerging Markets = MSCI EM.



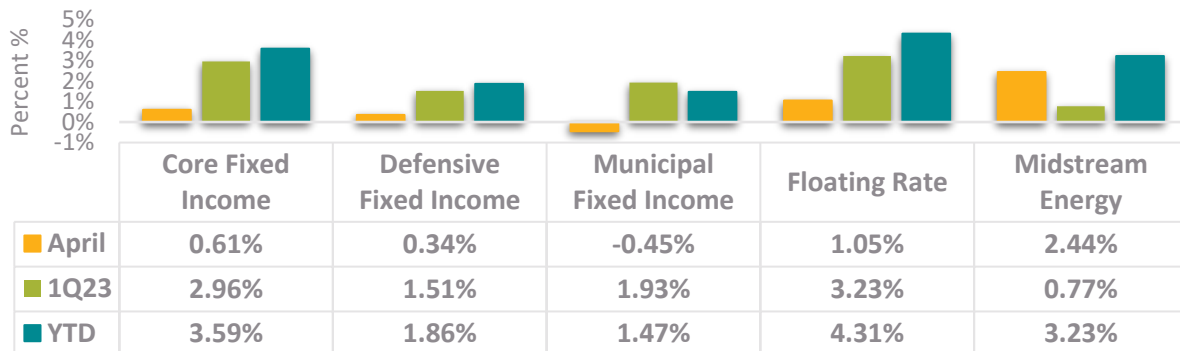
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## Fixed Income Market Update and Other Assets

- The Federal Reserve met on May 3<sup>rd</sup> and increased rates 0.25%. This is the 10<sup>th</sup> interest rate increase in a little over a year. Comments from the Fed signaled a potential pause in their rate increasing cycle.
- Core Fixed Income returned 0.61% in April and 3.59% year-to-date. The yield curve remains inverted, and the spread of yields between 2-year treasury bills and 10-year treasuries remains at levels not seen since 1982.
- While labor markets remain tight, U.S. job openings have fallen, and layoffs have increased to the highest level in over two years. This could suggest some softening in the labor market that could aid the Federal Reserve's fight against inflation.

### FIXED INCOME AND OTHERS



Domestic Fixed Income - Barclays US Agg; Municipal Bonds - Barclays 4-6 Yr Muni; High Yield - Barclays US Corp. HY; Floating Rate Corporate Loans - S&P/LSTA Leveraged Loan Index; Commodities - Bloomberg Commodity; MLPs - Alerian Midstream Energy.



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