



Stocks Have A Tough First Quarter - Equity Overview

The yield on the 10-year Treasury bond rose above the S&P 500 Index yield in March, meaning that the 2.32% yield on the 10 year Treasury bond is more than the 1.32% dividend yield for the S&P 500 Equity Index.

Some analysts believe that current earnings estimates for the S&P 500 Index, which represents a wide swath of the equities market, may be distorted. Almost all of the growth in 2022 earnings for the index since the beginning of the year can be traced to the energy sector alone. The dramatic rise in oil and energy prices have propelled profits for oil and energy companies, which aren't representative of other sectors.

Major equity indices recouped some ground in March, with the S&P 500 Index, Dow Jones Industrial Average and the Nasdaq all having a positive month. First quarter returns were not as generous, as all three indices saw negative performance with the worst quarter in two years. Some analysts are skeptical if an upward trajectory will continue, while others see fundamental optimism surrounding earnings and economic growth, both of which affect stock prices.

Sources: S&P, Treasury, Dow Jones, Nasdaq

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