

# CHART OF THE MONTH

JULY 2023

In our [June Chart of the Month](#), we reviewed the first half and previewed the second half, stating that “a strong start to the year could mean more gains ahead.” If this month is any indication, our hypothesis could prove to be true. Through July 24, the Russell 2000 (3.9%), Dow Jones Industrial Average (2.9%), S&P 500 (2.2%), and Nasdaq (1.8%) have continued to move higher with the market broadening beyond the mega-cap tech stocks.

Interestingly, the R2000 and the DJIA had lagged the S&P 500 and Nasdaq during the first half but have led the way thus far in the second half. The Dow, in fact, has climbed 11 consecutive days – the longest winning streak since February 2017 – and is now at its highest level since February 2022.

The stock market rotation is best exemplified in the table below. While the Nasdaq 100 (QQQ) has outperformed the DJ Dividend (DVY) by more than 42 percentage points in 2023, the latter has actually outpaced the former over the past three years. Furthermore, the S&P 500 Growth (IVW) has beaten its S&P 500 Value (IVE) counterpart by 8% this year but trailed by greater than 20% over the past three years.

The key takeaway is that investors should refrain from abandoning the losers and chasing the winners. In addition, a diversified strategy tends to smooth out the ups and downs of a more concentrated approach. Stick to your goals and objectives, remain patient, and stay focused on the longer term.

We continue to be favorably disposed toward equities for the remainder of the year but recognize that the outlook for earnings, inflation, and interest rates will influence the direction of stock prices, albeit not necessarily equally across the board.

Asset Class Performance				
YTD, Bull Market (Since 10/12/22), and Last Three Years				
Total Return (%)				
ETF	Description	YTD	Since 10/12/22	Last 3 Yrs
SPY	S&P 500	19.75	29.04	48.23
DIA	Dow 30	8.04	23.12	41.55
QQQ	Nasdaq 100	41.70	43.99	49.94
IJH	S&P Midcap 400	12.76	22.10	53.29
IJR	S&P Smallcap 600	10.43	17.80	54.81
IWB	Russell 1000	19.65	28.44	46.04
IWM	Russell 2000	12.68	17.99	38.71
IWV	Russell 3000	19.20	27.73	45.32
IVW	S&P 500 Growth	23.58	27.09	36.72
IJK	Midcap 400 Growth	14.23	21.08	36.42
IJT	Smallcap 600 Growth	10.89	16.60	40.50
IVE	S&P 500 Value	15.52	29.96	57.13
IJJ	Midcap 400 Value	11.05	22.73	70.64
IJS	Smallcap 600 Value	9.78	18.47	68.58
DVY	DJ Dividend	-0.79	12.36	55.88
RSP	S&P 500 Equalweight	10.55	22.48	53.06
Source: Bespoke				