

MARKET INSIGHTS

Weekly Market Recap

U.S. | April 26, 2021

The week in review

- Initial claims decreased to 547K
- Markit mfg. PMI at 60.6
- Markit services PMI at 63.1
- New home sales increased to 1,021K

The week ahead

- Real GDP
- FOMC meeting

Thought of the week

Last week provided a first look at the April PMI data for the major developed market economies. Manufacturing and services PMIs came in at 63.3 and 50.3, respectively, for the euro area and 53.3 and 48.3, respectively, for Japan. While manufacturing activity continues to look robust, the continued recovery in services on the back of vaccination efforts and the gradual lifting of social distancing measures should lead to accelerating growth over the remainder of the year. Although Japan's services PMI came in below 50 at 48.3, household spending on services continued to improve on a year-over-year basis, indicating that services is indeed on the road to recovery. Similar to Europe and Japan, U.S. April flash PMI data came in above 50, with manufacturing and services PMIs rising relative to the prior month. Unsurprisingly, this improvement in economic data has coincided with solid earnings results, particularly among the industries hit hardest by the pandemic like financials and airlines. Looking ahead, a steeper yield curve and improving credit metrics have eased some pressure on bank margins, and while the airlines are still posting net losses, increased mobility has led most airlines to project they will begin to break even by the summer. Broadly, an environment of accelerating economic growth and rising rates should support the more cyclical parts of the market, and reinforces our constructive view on both value and international equities.

WEEKLY DATA CENTER

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	4180	-0.11	5.30	11.80	51.92	65.67
Dow Jones 30	34043	-0.42	3.30	11.86	47.87	49.18
Russell 2000	5646	0.41	2.34	15.33	89.29	51.38
Russell 1000 Growth	1736	-0.18	7.40	8.41	58.85	96.67
Russell 1000 Value	954.10	0.07	3.55	15.21	51.73	39.69
MSCI EAFE	2288	-0.38	3.86	7.60	46.59	22.81
MSCI EM	1353	0.35	2.88	5.29	55.36	26.82
NASDAQ	14017	-0.25	5.83	8.96	66.30	102.50

Fixed Income	Yield	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	1.51	0.13	0.97	-2.43	-0.05	16.84
U.S. Corporates	2.20	0.23	1.40	-3.31	4.77	22.70
Municipals (10yr)	0.88	0.07	1.00	0.43	6.40	17.78
High Yield	4.82	-0.03	0.88	1.74	19.98	21.97

Key Rates	Levels (%)					
	4/23/21	4/16/21	3/31/21	12/31/20	4/23/20	4/23/18
2-yr U.S. Treasuries	0.16	0.16	0.16	0.13	0.22	2.49
10-yr U.S. Treasuries	1.58	1.59	1.74	0.93	0.61	2.98
30-yr U.S. Treasuries	2.25	2.26	2.41	1.65	1.18	3.15
10-yr German Bund	-0.25	-0.27	-0.30	-0.58	-0.43	0.65
3-mo. LIBOR	0.18	0.19	0.19	0.24	0.99	2.36
3-mo. EURIBOR	-0.54	-0.54	-0.54	-0.55	-0.16	-0.33
6-mo. CD rate	0.17	0.17	0.18	0.26	0.45	0.54
30-yr fixed mortgage	3.20	3.20	3.33	2.90	3.45	4.73
Prime Rate	3.25	3.25	3.25	3.25	3.25	4.75

CHART OF THE WEEK

Global Purchasing Managers' Index for Manufacturing

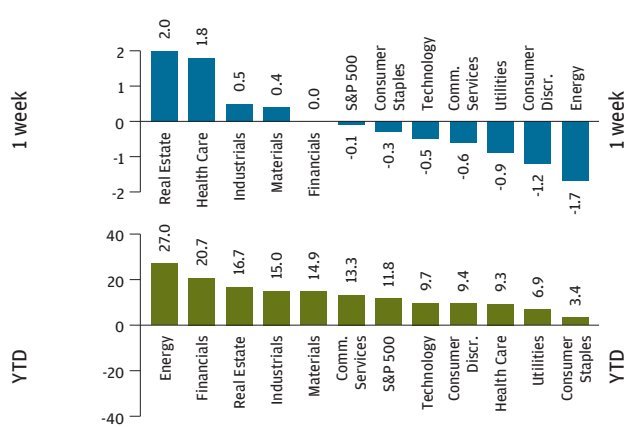


STYLE RETURNS

	V	B	G
L	0.1	-0.1	-0.2
M	0.7	0.7	0.8
S	0.0	0.4	0.9

	V	B	G
L	15.2	11.8	8.4
M	18.1	14.1	6.8
S	23.6	15.3	7.7

S&P 500 SECTOR RETURNS



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Chart of the Week: Source: Markit, J.P. Morgan Asset Management. Data are as of April 23, 2021

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Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey: Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.) ; provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Barclays US Aggregate; provided by: Barclays Capital. Index: Barclays Investment Grade Credit; provided by: Barclays Capital. Index: Barclays Municipal Bond 10 Yr; provided by: Barclays Capital. Index: Barclays Capital High Yield Index; provided by: Barclays Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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Unless otherwise stated, all data is as of April 26, 2021 or as of most recently available.

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