



Weekly Market Update

Market Data as of Week Ending: 3/19/2021 unless noted otherwise

U.S. stock prices declined after major benchmarks rose early in the week and then reversed course as bond yields increased to their highest levels in more than a year. Corporate profitability continues to improve as earnings growth estimates for the first quarter rose during the week. According to FactSet, the current estimated earnings growth rate for the S&P 500 is 22.6%. Small and medium sized companies lagged their large company peers and style factors such as value and growth were mostly irrelevant. Sectors that tend to be more defensive such as consumer staples, communication services, and healthcare outperformed with gains in each sector. Energy and financials lagged the broader market as they were pressured by declining oil prices and new policy from the Federal Reserve. Developed foreign stocks in Europe and Asia outperformed U.S. stocks and Emerging Market stocks lagged developed foreign markets.

U.S. Treasury yields rose again this past week to 1.75% before settling in to finish the week at 1.72%. Despite statements from the Federal Reserve that they anticipated no rate hikes until 2023, along with their confidence that any increase in inflation will prove short-lived, the bond market response demonstrates that market participants are not convinced. Longer-term bonds lagged for the week while short duration investment grade corporate bonds were the best performing asset class. Investment grade corporate bonds ended the week yielding nearly 2.3% and high yield corporate bonds are yielding more than 4.5%.

Economic data released during the week were mixed and mostly overshadowed by the Fed and how they would respond to massive fiscal stimulus. One reason why the Fed believes inflation is not a near-term concern is that we still have 4.1 million Americans who continue to claim ongoing unemployment benefits. Weekly initial unemployment claims increased to 770,000 and other measures of economic growth such as retail sales, industrial production and homebuilder sentiment declined. However, the Fed remains committed to the current pace of asset purchases at \$120 billion per month and upgraded its economic growth projection from 4.2% to 6.5%. Japan ended the coronavirus state of emergency in Tokyo (and surrounding areas) and their central bank reaffirmed their commitment to large-scale asset purchases during times of heightened market instability. □

U.S. Equity Returns (Size & Style - Russell)

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-0.79%	-0.83%	-0.87%	5.16%	2.47%	-0.18%	10.50%	4.57%	-0.95%	10.50%	4.57%	-0.95%
Mid	-0.67%	-0.79%	-1.03%	5.61%	2.79%	-2.52%	13.53%	8.22%	-1.18%	13.53%	8.22%	-1.18%
Small	-2.93%	-2.76%	-2.57%	8.55%	4.00%	-0.46%	24.99%	16.04%	7.78%	24.99%	16.04%	7.78%

U.S. Fixed Income Returns (Quality & Duration - Bloomberg Barclays)

	Week			MTD			QTD			YTD		
	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long	Short	Interm	Long
Govt	0.00%	-0.15%	-0.90%	-0.19%	-0.62%	-5.60%	-0.55%	-1.67%	-13.98%	-0.55%	-1.67%	-13.98%
Corp	0.01%	-0.15%	-0.30%	-0.40%	-1.19%	-4.36%	-0.68%	-2.37%	-9.91%	-0.68%	-2.37%	-9.91%
HY	-0.17%	-0.40%	-2.08%	0.06%	-0.52%	-3.43%	1.60%	0.20%	-2.99%	1.60%	0.20%	-2.99%

Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-0.74%	2.78%	4.55%	4.55%
S&P MidCap 400	-1.19%	4.82%	13.63%	13.63%
Russell 2000	-2.76%	4.00%	16.04%	16.04%
MSCI EAFE	0.59%	3.11%	4.29%	4.29%
MSCI Emerging Markets	-0.81%	-0.06%	3.79%	3.79%
MSCI EAFE Small Cap	1.17%	3.64%	5.99%	5.99%
Fixed Income (Bonds)				
Barclays Int Gov/Credit	-0.14%	-0.80%	-1.89%	-1.89%
Barclays US Agg	-0.28%	-1.49%	-3.61%	-3.61%
Barclays US High Yield	-0.53%	-0.75%	-0.05%	-0.05%
Other				
Bloomberg Commodity	-1.67%	-0.89%	8.30%	8.30%
S&P Dev Property	-0.23%	2.67%	5.15%	5.15%

S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.14%	2.67%	2.13%	2.13%
Consumer Staples	0.36%	4.63%	-2.18%	-2.18%
Energy	-7.65%	2.84%	30.92%	30.92%
Financials	-1.65%	5.94%	16.14%	16.14%
Health Care	0.38%	2.11%	1.38%	1.38%
Industrials	-0.28%	6.51%	8.95%	8.95%
Info Technology	-1.33%	-0.84%	-0.56%	-0.56%
Materials	-0.82%	6.11%	7.59%	7.59%
Real Estate	-0.84%	3.60%	5.20%	5.20%
Communication Svcs	0.55%	3.74%	8.73%	8.73%
Utilities	-0.33%	6.57%	-0.87%	-0.87%

Bond Yields

	3/19/21	2/28/21	12/31/20	12/31/20
3Mo Libor	0.20%	0.19%	0.24%	0.24%
SOFR 3Mo Swap	0.01%	0.05%	0.06%	0.06%
2Yr Treasury	0.15%	0.13%	0.12%	0.12%
10Yr Treasury	1.72%	1.41%	0.92%	0.92%
2-10 Slope	1.57%	1.28%	0.79%	0.79%

Commodities and Currency

	3/19/21	2/28/21	12/31/20	12/31/20
Oil (\$/barrel)	61.42	61.5	48.52	48.52
Gold (\$/oz.)	1745.23	1734.04	1898.36	1898.36

Past performance is not a guarantee of future results. We believe the information presented is reliable, but we do not guarantee its accuracy.