



# Weekly Market Update

Market Data as of Week Ending: 6/18/2021 unless noted otherwise

U.S. stock prices declined as investors responded to concerns about the potential for higher interest rates following the Fed's policy meeting. Despite language from the Fed that clearly states their intention to "maintain an accommodative stance of monetary policy" until we reach maximum employment and an average of 2% inflation, many investors are focused on the forward-looking guidance which shows higher inflation and an additional rate hike in 2023. Large cap companies outperformed their small and mid-cap peers and value stocks lagged growth. Information technology was the only sector to produce a gain while cyclicals such as energy, financials, and materials lagged. Developed foreign stocks in Europe and Asia underperformed U.S. stocks while Emerging Market stocks outperformed both developed foreign and U.S. markets.

U.S. Treasury yields were mixed and volatile with sharp increases following the Fed policy meeting and then the 10-Year note declined and ended the week at 1.44%. Long term government bonds were the best performing segment followed by investment grade corporate bonds. Short term treasury bonds lagged as yields rose sharply and did not retreat. Investment grade corporate bonds ended the week with yields slightly above 2.0% and high yield corporate bonds are yielding more than 4.1%.

Economic data was mostly overshadowed by the Fed policy meeting, but results were mixed with strong advances in the Producer Price Index (PPI) and lower retail sales. The monthly PPI rose 0.8% and 6.6% compared to the same period last year. Most of the gains were attributed to a 1.5% monthly rise in the prices for goods. Retail sales declined 1.3% last month as consumers begin to make a shift from spending on goods to services in the post pandemic recovery. New housing starts increased to a seasonally adjusted annual rate of 1.57 million which was below consensus expectations of 1.63 million. Inflation is not unique to the U.S. as the U.K. reported a higher than expected 2.1% figure despite still being in a partial coronavirus lockdown. Industrial production in Europe was stronger than expected as countries in the region continue to phase out coronavirus restrictions.

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

	Week			MTD			QTD			YTD		
	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth	Value	Core	Growth
Large	-4.09%	-1.82%	0.47%	-3.84%	-0.64%	2.66%	2.34%	5.20%	8.13%	13.86%	11.43%	9.15%
Mid	-4.73%	-3.04%	0.35%	-4.05%	-1.79%	2.85%	2.58%	4.05%	6.97%	15.96%	12.52%	6.37%
Small	-5.53%	-4.17%	-2.65%	-2.85%	-1.32%	0.38%	2.20%	0.96%	-0.36%	23.84%	13.78%	4.50%

## 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	-0.36%	-0.35%	2.18%	-0.32%	-0.12%	4.40%	0.04%	0.56%	7.30%	-0.53%	-1.17%	-7.07%
Corp	-0.32%	-0.19%	1.82%	-0.24%	0.24%	4.06%	0.58%	1.56%	7.01%	-0.01%	-0.66%	-2.10%
HY	-0.02%	-0.09%	0.17%	0.54%	0.61%	1.86%	1.91%	1.91%	4.54%	4.20%	2.97%	3.05%

## Index Returns

	Week	MTD	QTD	YTD
Equities (Stocks)				
S&P 500	-1.87%	-0.81%	5.21%	11.71%
S&P MidCap 400	-5.05%	-4.16%	0.35%	13.87%
Russell 2000	-4.17%	-1.32%	0.96%	13.78%
MSCI EAFE	-2.40%	-1.04%	5.26%	8.92%
MSCI Emerging Markets	-1.45%	-0.95%	3.87%	6.25%
MSCI EAFE Small Cap	-3.16%	-2.15%	3.82%	8.49%
Fixed Income (Bonds)				
Barclays Int Gov/Credit	-0.29%	0.00%	0.90%	-0.98%
Barclays US Agg	0.11%	0.71%	1.84%	-1.60%
Barclays US High Yield	-0.07%	0.70%	2.10%	2.96%
Other				
Bloomberg Commodity	-4.27%	-2.04%	8.98%	16.52%
S&P Dev Property	-3.09%	1.34%	9.58%	15.66%

## S&P 500 Sector Returns

	Week	MTD	QTD	YTD
Consumer Disc	-0.06%	0.61%	3.65%	6.87%
Consumer Staples	-2.77%	-2.42%	1.50%	2.66%
Energy	-5.21%	0.63%	7.07%	40.10%
Financials	-6.17%	-7.23%	3.60%	20.17%
Health Care	-0.68%	0.09%	6.02%	9.40%
Industrials	-3.75%	-5.19%	1.30%	12.85%
Info Technology	0.10%	2.70%	7.13%	9.24%
Materials	-6.28%	-7.49%	2.54%	11.86%
Real Estate	-2.42%	2.72%	12.53%	22.14%
Communication Svcs	-1.10%	0.28%	8.09%	16.82%
Utilities	-3.12%	-1.61%	0.16%	2.96%

## Bond Yields

	6/18/21	5/31/21	3/31/21	12/31/20
3Mo Libor	0.13%	0.13%	0.19%	0.24%
SOFR 3Mo Swap	0.05%	0.03%	0.02%	0.06%
2Yr Treasury	0.26%	0.14%	0.16%	0.12%
10Yr Treasury	1.44%	1.60%	1.74%	0.92%
2-10 Slope	1.19%	1.45%	1.58%	0.79%

## Commodities and Currency

	6/18/21	5/31/21	3/31/21	12/31/20
Oil (\$/barrel)	71.64	66.32	59.16	48.52
Gold (\$/oz.)	1764.16	1906.87	1707.71	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.