

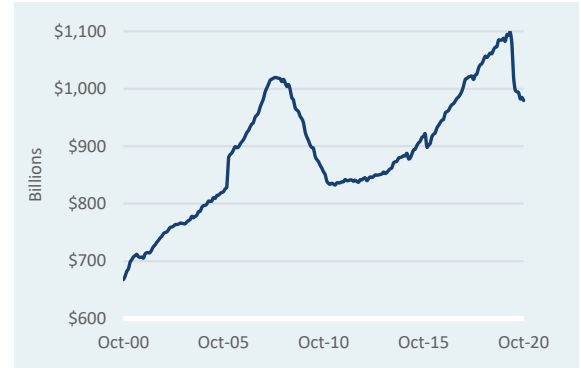
Capital Markets Snapshot

November 30th to December 11th, 2020

U.S. Economy

- Officials in Washington resumed negotiations around several potential fiscal stimulus packages, sized around \$900B. Business liability protections and state aid remain the key sticking points.
- Broad unemployment narrowed from 6.9% to 6.7% in November. However, if absent workers classified as still-employed were considered unemployed, the true rate could be as high as 7.1%.
- Total consumer credit growth decelerated and grew just \$7.2B in October (+2.1% YoY). Revolving credit, including credit card spending, continued to decline, which some have welcomed as an overdue deleveraging of household balance sheets.

U.S. REVOLVING CREDIT OUTSTANDING



Source: Federal Reserve, as of 10/31/20

U.S. Markets

- Equity indices grinded higher and finished the period just beneath record levels. Small-cap equities (Russell 2000 +3.1%) extended their outperformance of large-cap equities (S&P 500 +0.8%) and are now outperforming by 0.6% over the year-to-date.
- The ten-year U.S. Treasury yield advanced from 0.84% to 0.90% and reached as high as 0.97% on December 4th, a post-March high. Long-duration Treasuries (-0.9%) underperformed over the period.
- High-yield credit spreads compressed from 4.10% to 3.84%, and touched as low as 3.75%, their lowest level since February. High yield fixed income (+1.0%) extended its QTD rally (+5.5%).

HIGH-YIELD CREDIT SPREADS

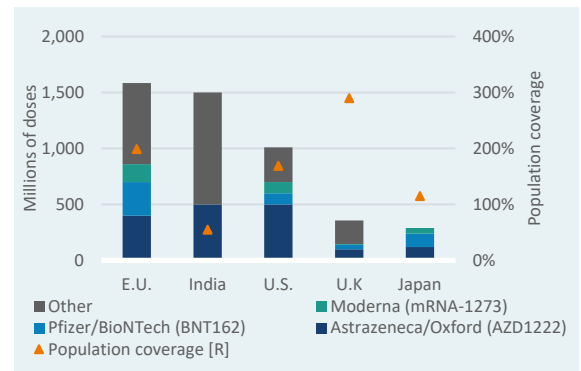


Source: Bloomberg, as of 12/11/20

International Economy

- The United Kingdom became the first Western country to begin distributing Pfizer & BioNTech's COVID-19 vaccine, and E.U. regulators appear likely to approve it soon. The U.S. Food and Drug Administration cleared the vaccine for emergency use.
- E.U. leaders agreed on a historic €1.80T budget-and-recovery plan for 2021-2027, paving the way for the approval of a €750B pandemic relief package which would be financed by joint debt.
- As expected, the European Central Bank left rates unchanged, but expanded its Pandemic Emergency Purchase Programme by another €500B euros, bringing the full program size to €1.85T.

CONFIRMED VACCINE DOSES SECURED

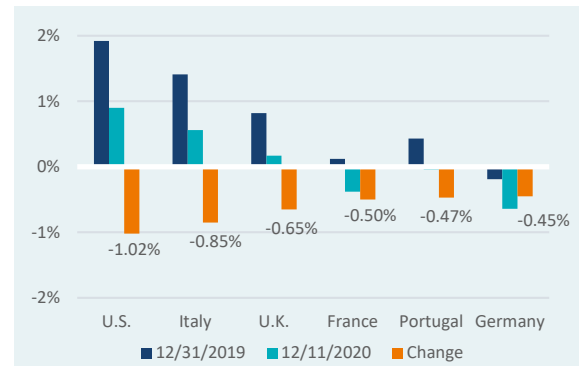


Source: Duke Global Health Innovation Center, as of 12/11/20

International Markets

- Emerging market equities (MSCI EM +2.2%) led the advance in global equities (MSCI ACWI +1.0%) over the period, and outperformed both U.S. (S&P 500 +0.8%) and international developed (MSCI EAFE +0.5%) equities in U.S. dollar terms.
- Developed European sovereign yields fell to the low end of their respective QTD trading ranges. Many analysts viewed the coordinated decline as a pricing-in of more quantitative easing from the ECB, which had hinted at further stimulus in September.
- Emerging market currencies gained relative to the U.S. dollar (JPM EMCI +1.8%) driven by the Brazilian real and the Chilean peso.

TEN-YEAR GOVERNMENT BOND YIELDS



Source: Bloomberg, as of 12/11/20



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Capital Markets Snapshot

MARKET PERFORMANCE

	Last Two Weeks 11/30/2020 - 12/11/2020		MTD		QTD		YTD	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
Equities								
S&P 500 TR USD	0.76	9.19	1.21	9.24	9.30	17.80	15.39	35.31
Russell 2000 TR USD	3.09	19.46	5.08	15.99	27.06	23.22	16.02	43.45
MSCI ACWI NR USD	1.02	8.94	1.91	7.52	11.69	14.74	13.22	28.36
MSCI EAFE NR USD	0.51	10.31	1.79	7.69	12.88	15.56	4.87	24.62
MSCI EM NR USD	2.21	15.17	4.38	8.53	16.39	13.29	15.03	24.54
Fixed Income								
Barclays US Treasury US TIPS TR USD	0.60	3.55	0.39	3.66	0.86	2.93	10.17	7.44
Barclays US Treasury TR USD	-0.16	4.44	-0.20	4.70	-0.79	4.11	8.04	6.34
Barclays Long Term US Treasury TR USD	-0.88	14.61	-0.92	15.48	-2.75	13.74	18.01	20.50
Barclays US Agg Bond TR USD	-0.07	3.26	-0.14	3.43	0.39	3.03	7.21	4.82
Barclays US Credit TR USD	-0.02	4.67	-0.20	4.83	2.12	4.35	8.64	8.00
Barclays High Yield Corporate TR USD	1.04	1.49	0.97	1.57	5.50	4.26	6.15	10.80
JPM EMBI Global Diversified TR USD	0.83	2.34	0.96	2.13	4.83	4.69	4.29	12.35
Other								
Bloomberg Commodity TR USD	0.07	9.15	0.68	8.99	5.69	10.78	-7.08	16.84
Wilshire US REIT TR USD	-0.78	16.62	0.47	16.22	8.13	23.22	-9.97	43.88
MSCI Currency Factor Mix ER USD	-0.08	1.36	-0.13	1.41	0.11	1.45	-1.06	3.01

Source: Morningstar, Data as of last available market close, Top/bottom two highlighted.

ECONOMIC DATA - RELEASED

Date	Country	Event	Freq	Period	Surv(M)	Actual	Surprise
11/30/20	UK	Net Consumer Credit	M	Oct	0.0b	-0.6b	-1.3
11/30/20	US	Dallas Fed Manf. Activity	M	Nov	14.3	12.0	-1.1
12/01/20	EC	CPI Estimate YoY	M	Nov	-0.2%	-0.3%	-1.1
12/01/20	EC	CPI Core YoY	M	Nov P	0.2%	0.2%	0.0
12/01/20	CA	GDP YoY	M	Sep	-2.9%	-3.9%	-5.0
12/01/20	US	ISM Manufacturing	M	Nov	58.0	57.5	-0.7
12/02/20	EC	Unemployment Rate	M	Oct	8.4%	8.4%	0.0
12/03/20	EC	Retail Sales YoY	M	Oct	2.6%	4.3%	1.9
12/03/20	US	ISM Services Index	M	Nov	55.8	55.9	0.1
12/04/20	US	Change in Nonfarm Payrolls	M	Nov	460k	245k	-1.4
12/04/20	US	Unemployment Rate	M	Nov	6.7%	6.7%	0.0
12/04/20	US	Labor Force Participation Rate	M	Nov	61.7%	61.5%	-2.9
12/07/20	US	Consumer Credit	M	Oct	\$15.500b	\$7.228b	-2.2
12/08/20	US	NFIB Small Business Optimism	M	Nov	102.5	101.4	-0.9
12/11/20	US	U. of Mich. Sentiment	M	Dec P	76.0	81.4	3.5

ECONOMIC DATA - NEXT TWO WEEKS

Date	Country	Event	Freq	Period	Prior	Surv(M)	Std Dev
12/14/20	EC	Industrial Production WDA YoY	M	Oct	-6.8%	-4.2%	0.8
12/16/20	EC	Markit Eurozone Manufacturing PMI	M	Dec P	53.8	53.0	0.7
12/16/20	EC	Markit Eurozone Services PMI	M	Dec P	41.7	41.9	2.2
12/16/20	US	Retail Sales Advance MoM	M	Nov	0.3%	-0.3%	0.3
12/16/20	US	Markit US Manufacturing PMI	M	Dec P	56.7	55.8	0.6
12/16/20	US	Markit US Services PMI	M	Dec P	58.4	56.0	1.2
12/16/20	US	NAHB Housing Market Index	M	Dec	90	88	1.7
12/17/20	UK	Bank of England Bank Rate	D	17-Dec	0.10%	0.10%	0.0
12/17/20	US	Initial Jobless Claims	W	12-Dec	853k	823k	40.8
12/18/20	GE	IFO Expectations	M	Dec	91.5	92.5	1.8
12/22/20	US	Conf. Board Consumer Confidence	M	Dec	96.1	97.5	3.1
12/23/20	US	Personal Income	M	Nov	-0.7%	-0.2%	0.0
12/23/20	US	Personal Spending	M	Nov	0.5%	0.3%	0.2
12/23/20	US	PCE Core Deflator YoY	M	Nov	1.4%	1.5%	0.1
12/24/20	US	Durable Goods Orders	M	Nov P	1.3%	0.8%	0.5

Source: Bloomberg



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