

Capital Markets Snapshot

April 5th to April 16th, 2021

U.S. Economy

- Retail sales spiked 9.8% higher in March (+27.7% year-over-year) as the relaxation of social distancing controls boosted spending at bars, restaurants and brick-and-mortar stores. Per the NY Fed, Americans are spending just around 25% of their stimulus checks.
- Initial jobless claims for the week ending April 10th fell from 744K to 576K (exp. 700K), the lowest level for the indicator in more than a year. Claims in California fell by close to 76,000 while claims in Virginia and Ohio both declined by more than 20,000.
- Outstanding credit card debt grew by \$8.1B in February, marking just the second month of growing card balances in the last year.

U.S. Markets

- The S&P 500 Index grinded 4.2% higher over the two-week period and notched its fourth consecutive week of gains. Small-cap equities underperformed (Russell 2000 +0.4%), and the growth factor (+0.8%) made up some ground relative to value (+0.3%).
- Despite several significant economic data beats, U.S. bond yields moved lower, and the 10-year U.S. Treasury yield dipped from 1.67% to 1.58%, about 15 bps below recent peaks. Hedge funds trimmed their short Treasury positioning providing price support.
- Banks kicked off Q1 earnings season, posting impressive trading and investment banking revenues, but flagging loan demand.

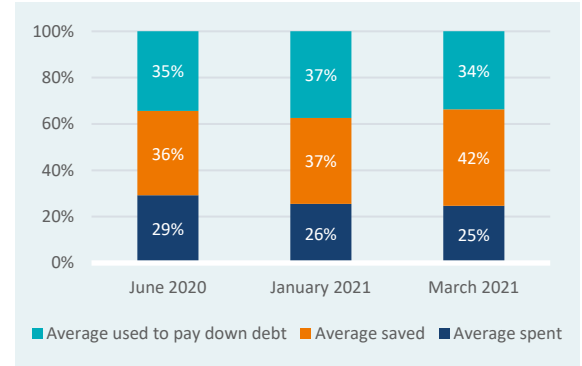
International Economy

- COVID-19 case growth (particularly in India) accelerated, European hospital capacity grew more strained, and concerns over potential links to very rare blood clots pushed health officials to pump the brakes on the administration of several prominent vaccines.
- The German ZEW Survey of Expectations fell for the first time since last November, due to fears of stricter lockdown measures.
- Chinese GDP grew 18.3% YoY in Q1, supported by stronger-than-expected retail sales growth (+34.2% YoY). Industrial production growth (+14.1%) missed estimates, which some attributed to recent moves by the People's Bank of China to tighten liquidity.

International Markets

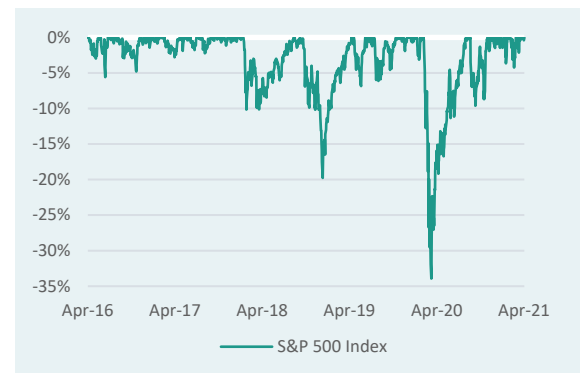
- U.S. large-cap (S&P 500 +4.2%) and international developed equities (MSCI EAFE +3.5%) climbed substantially over the period, while emerging market equities (MSCI EM +0.8%) were weighed down by poor performance in China (-1.2%) and India (-2.6%).
- Hard-currency denominated emerging market debt (J.P. Morgan EMBI Global Diversified +2.1%) outperformed within the global fixed income opportunity set, as the sovereign spread of the index compressed from 3.51% to 3.39%, a pandemic-low level.
- Every major commodity sector outside of livestock (-3.4%) advanced, and the Bloomberg Commodity Index returned 3.2%.

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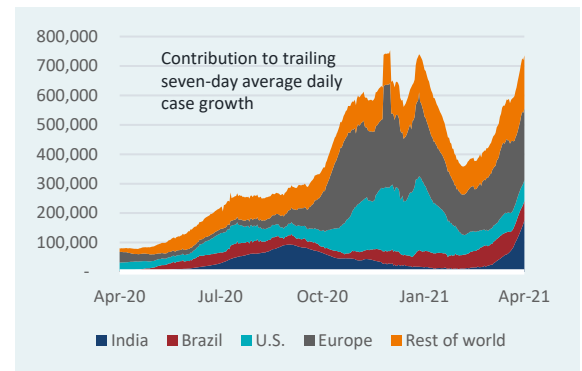
Source: New York Fed Survey of Consumer Expectations, as of 4/7/21

MAX DRAWDOWN FROM PRIOR PEAK



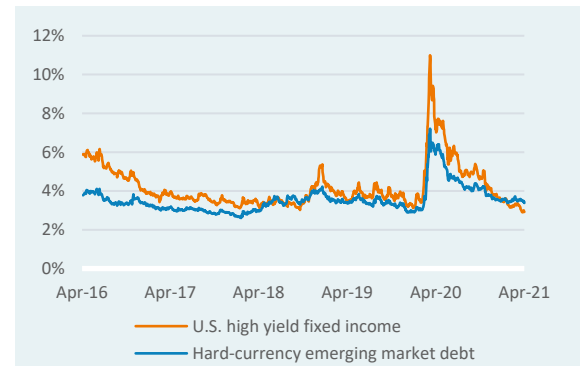
Source: Standard & Poor's, Bloomberg, as of 4/16/21

COVID-19 CASE GROWTH DECOMPOSITION



Source: Bloomberg, as of 4/16/21

CREDIT SPREADS



Source: Bloomberg, as of 4/16/21

Capital Markets Snapshot

MARKET PERFORMANCE

Equities

	Last Two Weeks 4/5/2021 - 4/16/2021		MTD		QTD		YTD	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
S&P 500 TR USD	4.18	8.99	5.41	9.29	5.41	9.29	11.92	15.15
Russell 2000 TR USD	0.41	11.59	1.92	13.04	1.92	13.04	14.86	26.23
MSCI ACWI NR USD	3.57	6.04	4.76	6.67	4.76	6.67	9.55	12.35
MSCI EAFE NR USD	3.49	4.97	4.22	4.77	4.22	4.77	7.85	11.89
MSCI EM NR USD	0.84	9.90	2.52	11.35	2.52	11.35	4.86	18.45

Fixed Income

Barclays US Treasury US TIPS TR USD	0.94	3.75	0.95	3.60	0.95	3.60	-0.54	5.28
Barclays US Treasury TR USD	0.76	3.78	0.82	3.85	0.82	3.85	-3.47	4.25
Barclays Long Term US Treasury TR USD	1.90	11.59	2.68	12.47	2.68	12.47	-11.20	13.96
Barclays US Agg Bond TR USD	0.74	3.31	0.84	3.41	0.84	3.41	-2.56	3.72
Barclays US Credit TR USD	0.83	4.66	1.14	5.09	1.14	5.09	-3.36	5.27
Barclays High Yield Corporate TR USD	0.73	1.57	0.91	1.57	0.91	1.57	1.77	2.07
JPM EMBI Global Diversified TR USD	2.06	3.01	2.43	2.96	2.43	2.96	-2.22	4.98

Other

Bloomberg Commodity TR USD	3.21	13.37	3.69	12.70	3.69	12.70	10.87	14.60
Wilshire US REIT TR USD	2.71	11.21	4.76	13.50	4.76	13.50	13.99	16.43
MSCI Currency Factor Mix ER USD	-0.31	2.71	-0.22	2.64	-0.22	2.64	0.74	1.85

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
04/05/21	US	ISM Services Index	M	Mar	59.0	63.7	4.6
04/05/21	US	Factory Orders	M	Feb	-0.5%	-0.8%	-0.4
04/06/21	EC	Sentix Investor Confidence	M	Apr	6.7	13.1	2.9
04/06/21	EC	Unemployment Rate	M	Feb	8.1%	8.3%	3.6
04/07/21	IT	Markit Italy Services PMI	M	Mar	49.0	48.6	-0.3
04/07/21	IT	Markit Italy Composite PMI	M	Mar	52.2	51.9	-0.4
04/07/21	US	Trade Balance	M	Feb	-\$70.5b	-\$71.1b	-0.8
04/07/21	US	Consumer Credit	M	Feb	\$2.800b	\$27.578b	3.5
04/09/21	US	PPI Ex Food, Energy, Trade YoY	M	Mar	2.7%	3.1%	8.5
04/13/21	US	CPI Ex Food and Energy MoM	M	Mar	0.2%	0.3%	1.9
04/14/21	US	Import Price Index MoM	M	Mar	0.9%	1.2%	1.4
04/14/21	US	Export Price Index MoM	M	Mar	1.0%	2.1%	9.4
04/15/21	US	Retail Sales Advance MoM	M	Mar	5.8%	9.8%	2.1
04/15/21	US	Capacity Utilization	M	Mar	75.6%	74.4%	-2.2
04/16/21	US	Housing Starts	M	Mar	1613k	1739k	2.5

ECONOMIC DATA - NEXT TWO WEEKS

Date	Country	Event	Freq	Period	Prior	Surv(M)	Std Dev
04/22/21	US	Initial Jobless Claims	W	17-Apr	576k	625k	42.6
04/22/21	US	Existing Home Sales	M	Mar	6.22m	6.15m	0.2
04/23/21	FR	Markit France Services PMI	M	Apr P	48.2	46.5	3.2
04/23/21	GE	Markit Germany Services PMI	M	Apr P	51.5	51.0	1.5
04/23/21	EC	Markit Eurozone Services PMI	M	Apr P	49.6	49.1	2.0
04/23/21	UK	Markit/CIPS UK Services PMI	M	Apr P	56.3	58.5	1.9
04/23/21	US	Markit US Services PMI	M	Apr P	60.4	61.5	1.0
04/27/21	US	Conf. Board Consumer Confidence	M	Apr	109.7	110.5	2.2
04/29/21	US	GDP Annualized QoQ	Q	1Q A	4.3%	5.7%	1.4
04/30/21	GE	GDP WDA YoY	Q	1Q P	-3.7%	--	--
04/30/21	IT	GDP WDA YoY	Q	1Q P	-6.6%	--	--
04/30/21	EC	GDP SA YoY	Q	1Q A	-4.9%	--	--
04/30/21	US	Personal Income	M	Mar	-7.1%	20.0%	2.6
04/30/21	US	Personal Spending	M	Mar	-1.0%	3.8%	1.6
04/30/21	US	PCE Core Deflator YoY	M	Mar	1.4%	1.9%	0.1

Source: Bloomberg



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