

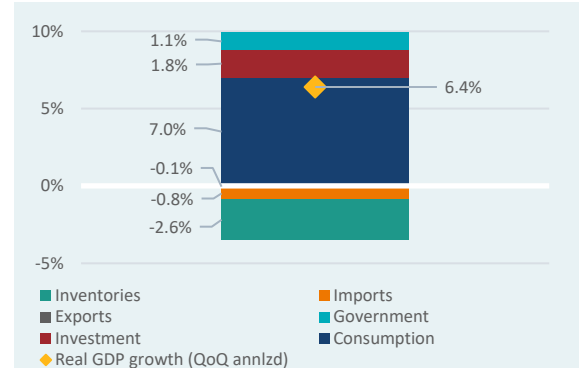
# Capital Markets Snapshot

April 19<sup>th</sup> to April 30<sup>th</sup>, 2021

## U.S. Economy

- U.S. GDP expanded at an annualized quarterly pace of 6.4% in Q1 (+0.4% YoY), driven by strong consumer spending. Growth was supported by fixed business investment and government spending and pressured by international trade and inventory drawdowns.
- U.S. personal incomes surged 21.1% in March (+29.0% YoY), as \$1400 stimulus checks were sent out to over 100 million people. Savings rates jumped from 13.9% to 27.6% - households have at least \$2.2T in excess savings, which could fuel future spending.
- Core PCE, the Fed's preferred inflation gauge, grew 1.8% YoY in March, up from 1.4% in February, and in line with expectations.

## Q1 2021 GDP GROWTH DECOMPOSITION

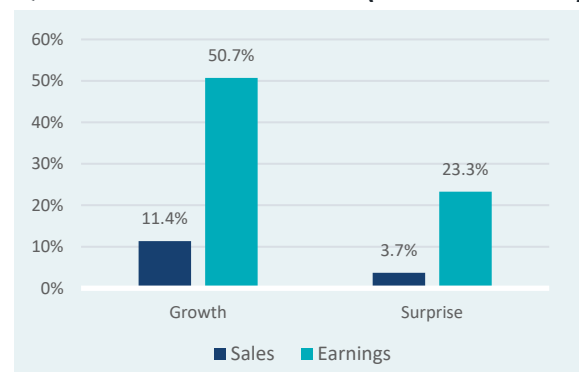


Source: Bureau of Economic Analysis, as of 4/29/21

## U.S. Markets

- Fed officials made no changes to policy in their April meeting, and although they did note that the economy had improved, they remained of the view that significant further progress would need to be made in the labor market before "taper" talks could begin.
- The S&P 500 Index faded 0.1% over the two weeks ending April 30<sup>th</sup>, but still posted a strong return over the full month (+5.3%). Small-cap equities (+2.1%) trailed large-cap equities in April, which cut their year-to-date outperformance to just +3.2%.
- With 60% of companies reporting, S&P 500 companies have posted earnings growth of +50.7%, beating estimates by +23.3%.

## Q1 2021 S&P 500 EARNINGS (60% REPORTING)

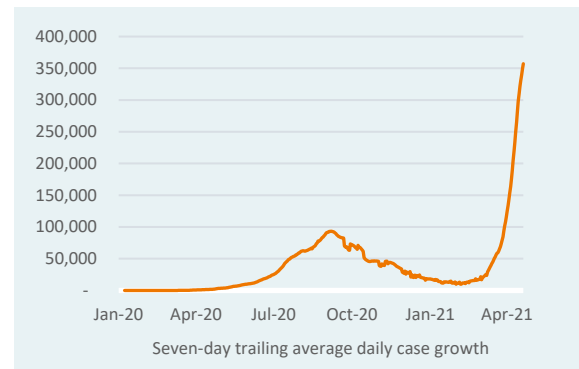


Source: Standard & Poor's, Bloomberg, as of 4/30/21

## International Economy

- Covid-19 case growth rose to record levels in India, and seven-day trailing average daily case growth picked up from 219K to 357K. Health experts are worried that massive case growth in a country of India's size could allow more time for the virus to mutate.
- Real GDP contracted just -1.8% YoY in the European Union in Q1 (exp. -2.0%), improving from -4.9% in Q4 2020. Most of the largest European economies shrunk in Q1, but French GDP grew +0.4%.
- The Bank of Canada emerged as one of the first major central banks shifting to a more hawkish stance and announced that it could start hiking rates and tapering asset purchases by next year.

## COVID-19 CASE GROWTH - INDIA

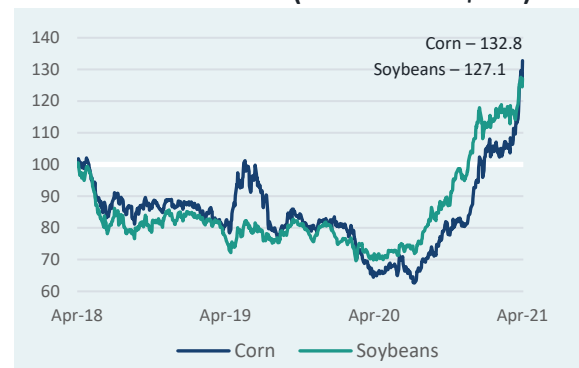


Source: Bloomberg, as of 4/30/21

## International Markets

- Global equities slid -0.4% over the period, trimming gains made in April to +4.4%. International developed equities (MSCI EAFE - 1.2%) lagged the global benchmark, due primarily to weakness in Germany (-2.4%), Japan (-3.5%), and in the yen (-0.5%).
- The Bloomberg Commodity Index returned +4.4%, bringing year-to-date gains to +15.8%, its best start ever through four months. The Grains Subindex (+12.8%) accounted for about two-thirds of the total return of the broad basket, and corn returned +17.3%.
- Ten-year German bund yields rose from -0.27% to -0.20%, the highest level since March 2020.

## CORN AND SOYBEANS (GROWTH OF \$100)



Source: Bloomberg, as of 4/30/21



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# Capital Markets Snapshot

## MARKET PERFORMANCE

	Last Two Weeks 4/19/2021 - 4/30/2021		April		QTD		YTD	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
<b>Equities</b>								
S&P 500 TR USD	-0.07	11.41	5.34	10.84	5.34	10.84	11.84	14.71
Russell 2000 TR USD	0.18	22.13	2.10	17.52	2.10	17.52	15.07	25.66
MSCI ACWI NR USD	-0.37	8.54	4.37	8.31	4.37	8.31	9.14	11.94
MSCI EAFE NR USD	-1.17	11.37	3.01	9.25	3.01	9.25	6.59	11.82
MSCI EM NR USD	-0.03	9.79	2.49	10.54	2.49	10.54	4.83	17.59
<b>Fixed Income</b>								
Barclays US Treasury US TIPS TR USD	0.45	2.15	1.40	2.95	1.40	2.95	-0.09	5.00
Barclays US Treasury TR USD	-0.07	2.01	0.75	3.11	0.75	3.11	-3.53	4.04
Barclays Long Term US Treasury TR USD	-0.34	6.12	2.33	9.98	2.33	9.98	-11.50	13.24
Barclays US Agg Bond TR USD	-0.05	1.74	0.79	2.76	0.79	2.76	-2.61	3.54
Barclays US Credit TR USD	-0.08	2.42	1.06	4.05	1.06	4.05	-3.44	5.00
Barclays High Yield Corporate TR USD	0.18	1.01	1.09	1.40	1.09	1.40	1.95	1.97
JPM EMBI Global Diversified TR USD	-0.21	2.64	2.22	3.37	2.22	3.37	-2.42	4.75
<b>Other</b>								
Bloomberg Commodity TR USD	4.43	6.03	8.29	9.89	8.29	9.89	15.78	13.90
Wilshire US REIT TR USD	3.12	7.98	8.03	10.99	8.03	10.99	17.55	15.62
MSCI Currency Factor Mix ER USD	0.10	2.12	-0.12	2.36	-0.12	2.36	0.84	1.87

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
04/22/21	US	Initial Jobless Claims	W	17-Apr	610k	547k	-1.7
04/22/21	US	Existing Home Sales	M	Mar	6.11m	6.01m	-0.5
04/23/21	FR	Markit France Services PMI	M	Apr P	46.7	50.4	1.2
04/23/21	GE	Markit Germany Services PMI	M	Apr P	51.0	50.1	-0.6
04/23/21	EC	Markit Eurozone Services PMI	M	Apr P	49.1	50.3	0.6
04/23/21	UK	Markit/CIPS UK Services PMI	M	Apr P	58.9	60.1	0.7
04/23/21	US	Markit US Services PMI	M	Apr P	61.5	63.1	1.8
04/27/21	US	Conf. Board Consumer Confidence	M	Apr	113.0	121.7	3.7
04/29/21	US	GDP Annualized QoQ	Q	1Q A	6.7%	6.4%	-0.2
04/30/21	GE	GDP WDA YoY	Q	1Q P	-3.2%	-3.0%	0.5
04/30/21	IT	GDP WDA YoY	Q	1Q P	-1.6%	-1.4%	0.4
04/30/21	EC	GDP SA YoY	Q	1Q A	-2.0%	-1.8%	0.7
04/30/21	US	Personal Income	M	Mar	20.3%	21.1%	0.4
04/30/21	US	Personal Spending	M	Mar	4.1%	4.2%	0.1
04/30/21	US	PCE Core Deflator YoY	M	Mar	1.8%	1.8%	0.0

## ECONOMIC DATA - NEXT TWO WEEKS

Date	Country	Event	Freq	Period	Prior	Surv(M)	Std Dev
05/03/21	IT	Markit Italy Manufacturing PMI	M	Apr	59.8	61.0	0.7
05/03/21	US	ISM Manufacturing	M	Apr	64.7	65.0	1.1
05/03/21	US	ISM Prices Paid	M	Apr	85.6	86.0	0.8
05/04/21	US	Trade Balance	M	Mar	-\$71.1b	-\$74.3b	1.1
05/05/21	IT	Markit Italy Services PMI	M	Apr	48.6	50.0	0.9
05/06/21	EC	Retail Sales YoY	M	Mar	-2.9%	9.4%	4.2
05/06/21	UK	BOE Gilt Purchase Target	M	May	875b	875b	0.0
05/07/21	US	Change in Nonfarm Payrolls	M	Apr	916k	980k	226.7
05/07/21	US	Unemployment Rate	M	Apr	6.0%	5.7%	0.1
05/07/21	US	Labor Force Participation Rate	M	Apr	61.5%	61.6%	0.1
05/07/21	US	Consumer Credit	M	Mar	\$27.578b	\$20.000b	9.6
05/11/21	US	NFIB Small Business Optimism	M	Apr	98.2	101.0	0.6
05/12/21	US	CPI YoY	M	Apr	2.6%	3.6%	0.1
05/12/21	US	CPI Ex Food and Energy YoY	M	Apr	1.6%	2.3%	0.0
05/14/21	US	Retail Sales Advance MoM	M	Apr	9.8%	0.2%	0.3

Source: Bloomberg



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