

Capital Markets Snapshot

July 26th to August 6th, 2021

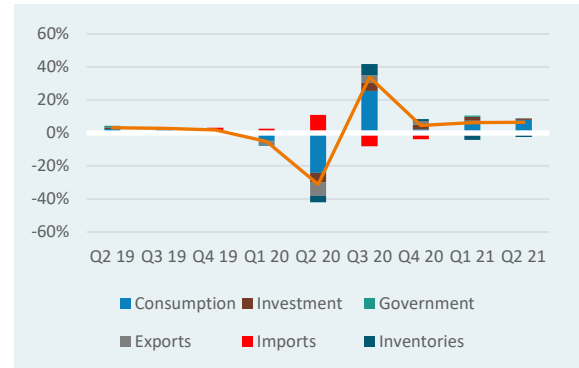
U.S. Economy

- U.S. GDP expanded at an annualized quarterly pace of 6.5%, driven by strength in consumer spending +11.8% (exp. 10.4%).
- Nonfarm payrolls increased by 943k (exp. 870k) in July, while U3 unemployment also beat expectations at 5.4% (exp. 5.7%).
- Initial (385k) and continuing (2,930k) Unemployment Insurance claims continued to fall towards pre-pandemic levels. Continuing claims hit the lowest level since March 14th, 2020.
- The ISM Services PMI registered an all time high of 64.1, backed by historically strong Supplier Deliveries and Prices Indices.

U.S. Markets

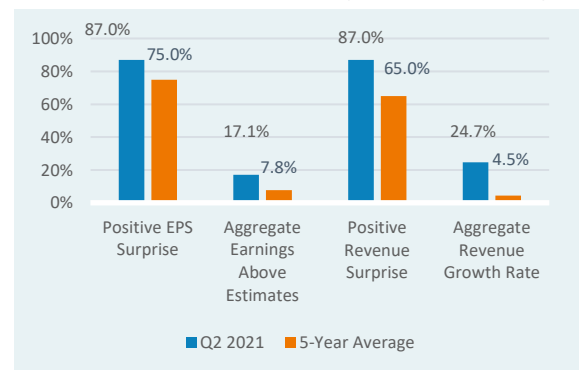
- The S&P 500 Index delivered a total return of +0.6%, lagging Small-cap equities, which bounced back from July underperformance (Russell 2000 Index +1.8%).
- With 89% of S&P 500 companies reporting actual Q2 2021 results, 87% reported positive EPS surprises, with reported earnings averaging +17.1% higher than estimates. If 87% is the final mark, this would be the highest percentage since FactSet began tracking the metric in 2008 (per FactSet, as of August 6th).
- U.S. Treasury yields rose, as strong economic data releases sharply swung yields up during the end of the period. Ten-year yields increased +12 bps between August 4th and 6th.

U.S. REAL GDP GROWTH (QoQ SAAR)



Source: BEA, as of 7/29/21

S&P 500 Q2 2021 RESULTS (89% REPORTED)

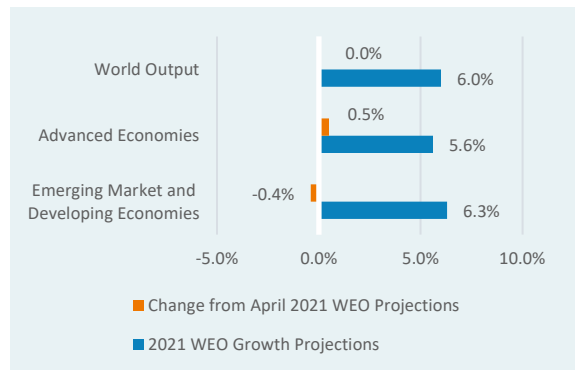


Source: FactSet, as of 8/6/2021

International Economy

- Euro-area GDP expanded +2% in Q2 2021 (exp. +1.5%), fueled by the easing of pandemic restrictions and a strong rebound in Southern European economies. Notable beats in Spain (+2.8% v. exp. +2.1%) and Italy (+2.7% v. exp. +1.3%).
- Following their August meeting, the Bank of England's MPC took a more hawkish pivot, signaling inflation concerns as enough to warrant "some modest tightening".
- The IMF's July World GDP forecasts remained unchanged for 2021, balanced by a markdown and uptick for EM / Developing Economies (-0.4%) and Advanced Economies (+0.5%).

IMF WORLD ECONOMIC OUTLOOK

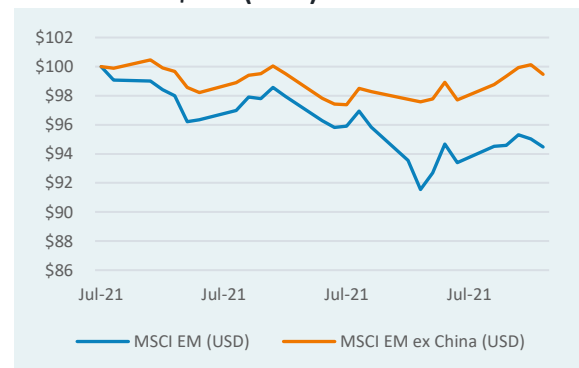


Source: IMF, as of 7/27/21

International Markets

- International developed (MSCI EAFE Index +1.6%) outperformed U.S. equities (S&P 500 Index +0.6%) and emerging market equities (MSCI EM Index -1.4%) in USD terms.
- Chinese equities continued to be a headwind for emerging market performance, as regulatory actions have depressed returns.
- The Bloomberg Commodities Index declined -1.1% as Grains were the only sector in the green during the period. Soft Commodities and Petroleum were down -6.3% and -3.7%, respectively.

GROWTH OF \$100 (JULY)



Source: MSCI, Bloomberg, as of 8/6/21



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MARKET PERFORMANCE

	Last Two Weeks 7/26/2021 - 8/6/2021		July		QTD		YTD	
	Return	Std Dev	Return	Std Dev	Return	Std Dev	Return	Std Dev
Equities								
S&P 500 TR USD	0.60	7.55	2.38	11.76	3.36	11.06	19.12	13.18
Russell 2000 TR USD	1.75	16.41	-3.61	22.18	-2.66	21.25	14.41	23.15
MSCI ACWI NR USD	0.60	7.82	0.69	10.79	1.68	9.91	14.19	10.91
MSCI EAFE NR USD	1.67	10.76	0.75	12.20	1.81	11.74	10.80	11.97
MSCI EM NR USD	-1.35	23.97	-6.73	19.06	-5.63	18.04	1.40	16.26
Fixed Income								
Barclays US Treasury US TIPS TR USD	0.06	4.07	2.67	3.18	1.93	3.57	3.69	4.67
Barclays US Treasury TR USD	-0.13	3.98	1.36	4.54	0.96	4.58	-1.65	3.93
Barclays Long Term US Treasury TR USD	-0.28	11.93	3.65	14.15	2.65	14.10	-5.49	12.80
Barclays US Agg Bond TR USD	-0.18	3.40	1.12	3.63	0.69	3.75	-0.92	3.41
Barclays US Credit TR USD	-0.29	4.57	1.30	4.53	0.68	4.78	-0.61	4.74
Barclays High Yield Corporate TR USD	-0.13	0.97	0.38	2.28	0.19	2.10	3.81	1.82
JPM EMBI Global Diversified TR USD	0.16	2.21	0.42	1.83	0.58	1.95	-0.09	3.92
Other								
Bloomberg Commodity TR USD	-1.05	13.59	1.84	17.12	0.16	15.81	21.34	14.79
Wilshire US REIT TR USD	0.68	9.45	5.10	16.03	5.46	15.27	29.48	15.56
MSCI Currency Factor Mix ER USD	-0.14	2.47	-0.61	4.32	-0.41	4.05	0.30	2.39

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
07/27/21	US	Conf. Board Consumer Confidence	M	Jul	123.9	129.1	2.6
07/29/21	US	GDP Annualized QoQ	Q	2Q A	8.4%	6.5%	-2.0
07/30/21	EC	CPI Core YoY	M	Jul P	0.7%	0.7%	0.0
07/30/21	EC	GDP SA YoY	Q	2Q A	13.2%	13.7%	1.6
07/30/21	US	Personal Income	M	Jun	-0.3%	0.1%	0.7
07/30/21	US	Personal Spending	M	Jun	0.7%	1.0%	0.9
07/30/21	US	PCE Core Deflator YoY	M	Jun	3.7%	3.5%	-1.4
08/02/21	US	ISM Manufacturing	M	Jul	61.0	59.5	-2.7
08/04/21	US	ISM Services Index	M	Jul	60.5	64.1	3.9
08/05/21	UK	BOE Gilt Purchase Target	M	Aug	875b	875b	0.0
08/05/21	US	Trade Balance	M	Jun	-\$74.2b	-\$75.7b	-1.3
08/06/21	US	Change in Nonfarm Payrolls	M	Jul	870k	943k	0.5
08/06/21	US	Unemployment Rate	M	Jul	5.7%	5.4%	-3.6
08/06/21	US	Average Hourly Earnings YoY	M	Jul	3.9%	4.0%	1.2
08/06/21	US	Consumer Credit	M	Jun	\$23.000b	\$37.690b	2.3

ECONOMIC DATA - NEXT TWO WEEKS

Date	Country	Event	Freq	Period	Prior	Surv(M)	Std Dev
08/10/21	GE	ZEW Survey Expectations	M	Aug	63.3	55.0	4.9
08/10/21	US	NFIB Small Business Optimism	M	Jul	102.5	102.0	1.0
08/11/21	US	CPI YoY	M	Jul	5.4%	5.3%	0.2
08/11/21	US	CPI Ex Food and Energy YoY	M	Jul	4.5%	4.3%	0.1
08/11/21	UK	GDP YoY	Q	2Q P	-6.1%	22.1%	0.2
08/12/21	US	Initial Jobless Claims	W	7-Aug	385k	375k	10.0
08/12/21	US	Continuing Claims	W	31-Jul	2930k	2880k	130.5
08/13/21	US	U. of Mich. Sentiment	M	Aug P	81.2	81.2	1.2
08/15/21	JN	GDP Annualized SA QoQ	Q	2Q P	-3.9%	0.6%	0.9
08/17/21	US	Retail Sales Advance MoM	M	Jul	0.6%	-0.2%	0.3
08/17/21	US	Retail Sales Ex Auto MoM	M	Jul	1.3%	0.2%	0.3
08/17/21	US	NAHB Housing Market Index	M	Aug	80.0	80.0	0.8
08/18/21	EC	CPI YoY	M	Jul F	1.9%	--	--
08/18/21	EC	CPI Core YoY	M	Jul F	0.7%	--	--
08/18/21	US	Housing Starts	M	Jul	1643k	1605k	45.9

Source: Bloomberg



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