

# WEEKLY MARKET SNAPSHOT

Week Ended | Friday, May 8, 2020

## Market Commentary

Global equities gained 2.5% last week. U.S. stocks rose 3.7%, while developed international gained 0.9% and emerging markets declined 0.5%. Year-to-date, global equities are down 12.7% with domestics down 9.7%, followed by emerging markets (-17.8%) and developed international (-18.2%). Bonds gained 0.1% for the week. The US 10-yr treasury yield added 7 bps to close the week at 0.68%. Year-to-date, treasuries have significantly outperformed investment grade corporates and high yield (-8.2%).

While the S&P 500 remains 14% below the late-February peak, the index has rallied more than 30% from the March 23 low. The economy remains in shambles, but there are indications that the worst may be over and recovery lies ahead. Oil prices, which remain below \$25 per barrel, rallied 18% for the week on production cuts and rising demand as some parts of the global economy began to reopen. April jobs data was historically awful – U.S. employers cut an unprecedented 20.5M payrolls and unemployment spiked to 14.7%. Looking forward, we continue to expect moderation in labor market pressure as payroll protection program (PPP) beneficiaries rehire workers and the economic reopening progresses.

The week ahead brings CPI (inflation) on Tuesday 5/12, jobless claims on Thursday (5/14), U.S. retail sales and consumer sentiment on Friday (5/15). We expect jobless claims to continue trending lower week over week. Real retail sales likely declined as much as 10% year over year in the month of April, which may mark the worst reading of this crisis – we would expect the May reading to be less bad. We expect the University of Michigan to confirm our view that sentiment bottomed in April after falling precipitously in March.

	One Week	Month To Date	Quarter To Date	Year To Date	One Year	Three Years	Five Years
--	----------	---------------	-----------------	--------------	----------	-------------	------------

## Total Returns (%)

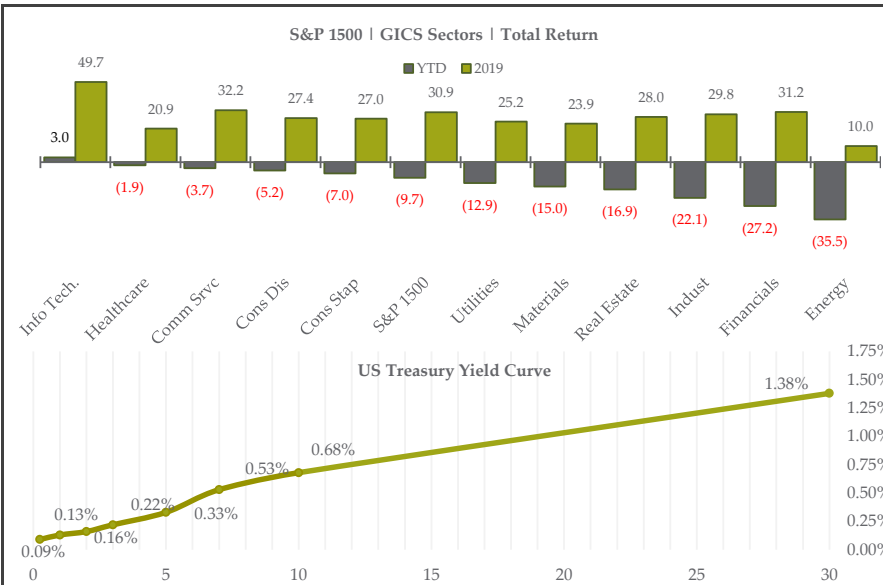
	Price	3.7	0.7	13.7	(9.7)	2.2	8.2	8.4
<b>Global Stocks</b>								
US Stocks	664.3	3.7	0.7	13.7	(9.7)	2.2	8.2	8.4
Developed International	5246.6	0.9	(0.5)	6.0	(18.2)	(10.0)	(1.4)	(0.4)
Emerging Markets	433.8	(0.5)	(1.4)	7.6	(17.8)	(11.0)	(0.2)	(0.1)
<b>Domestic Stocks</b>								
Large Cap	2929.8	3.6	0.7	13.6	(8.7)	3.8	9.0	8.9
Large Cap Value	1042.7	2.1	(0.9)	9.7	(18.1)	(5.5)	3.1	4.9
Large Cap Growth	1937.3	4.7	1.8	16.6	(0.4)	11.6	14.1	12.5
Mid Cap	1676.2	5.4	1.8	16.3	(18.2)	(11.7)	0.6	3.7
Small Cap	770.9	4.2	0.0	12.7	(24.1)	(18.7)	(1.6)	3.1
<b>Domestic Fixed Income</b>								
1-5 Year: Treasuries	0.23	0.1	0.1	0.3	4.1	6.9	3.3	2.3
IG Corps	1.93	0.2	0.2	3.1	0.9	4.8	3.3	2.8
Municipals	1.17	0.6	0.7	0.8	0.4	2.5	1.9	1.7
5-10 Year: Treasuries	0.51	0.0	(0.1)	0.4	9.1	14.3	6.2	4.4
IG Corps	2.70	(0.3)	(0.6)	4.6	0.1	7.8	5.1	4.5
Municipals	1.67	0.7	1.0	0.4	(0.4)	2.8	3.2	3.0
10+ Year: Treasuries	1.30	(1.8)	(1.9)	0.1	21.0	33.5	13.4	9.0
IG Corps	3.64	(2.7)	(3.3)	3.8	(0.9)	13.2	7.6	6.8
Municipals	2.60	0.9	1.4	(0.9)	(1.6)	2.6	4.5	4.2
High Yield	7.88	0.8	0.6	5.2	(8.2)	(3.0)	2.0	3.5
High Yield Muni	5.57	0.5	1.1	(2.3)	(9.1)	(4.2)	3.3	3.8

## Price Changes (%)

Currencies/Commodities	Price	0.7%	0.7%	0.7%	3.5%	2.5%	0.0%	1.0%
US Dollar	99.7	0.7%	0.7%	0.7%	3.5%	2.5%	0.0%	1.0%
Crude Oil (WTI)	24.7	25.1%	31.3%	20.8%	(59.5%)	(59.9%)	(19.4%)	(16.1%)
Gold	1702.7	0.1%	1.0%	8.0%	12.2%	32.4%	11.8%	7.5%
Industrial Metals	96.8	2.9%	1.6%	3.9%	(15.5%)	(15.1%)	(3.8%)	(5.2%)

## Coming This Week

Event	Date	Time	Period	Consensus Exp.
China CPI YoY	5/11/2020	9:30 PM	Apr	3.70%
US CPI (Inflation) YoY	5/12/2020	8:30 AM	Apr	0.40%
US Federal Budget Surplus/Deficit	5/12/2020	2:00 PM	Apr	(737.20)
US Initial Jobless Claims	5/14/2020	8:30 AM	Wk Ended 5/9	2.5M
Eurozone GDP QoQ	5/15/2020	5:00 AM	1Q 2020	(3.80%)
US Retail Sales	5/15/2020	8:30 AM	Apr	(11.70%)
US Industrial Production	5/15/2020	9:15 AM	Apr	(11.95%)
UofM Consumer Confidence	5/15/2020	10:00 AM	May	68.00
US Manufacturing Trade & Inv	5/15/2020	10:00 AM	Mar	(0.20%)



# WEEKLY MARKET SNAPSHOT

Week Ended | Friday, May 8, 2020

## Data sources:

Source: Bloomberg Finance L.P.; Global stocks = MSCI ACWI Index; US Stocks = S&P 1500 Composite Index; Developed International = MSCI EAFE Index; Emerging Markets = MSCI Emerging Markets Index; Large Cap Stocks = S&P 500 Index; Large Cap Value = S&P 500 Value Index; Large Cap Growth = S&P 500 Large Cap Growth Index; Mid Cap = S&P 400 Index; Small Cap = S&P 600 Index; Domestic Fixed Income = Bloomberg Barclays Intermediate Government/Credit Index; 1-5 Year Treasuries = Bloomberg Barclays US Treasury 1-5 Yr Total Return Index; 1-5 Year IG Corps = Bloomberg Barclays US Corporate 1-5 years Total Return Index; 1-5 Year Municipals = Bloomberg Barclays Municipal Short (1-5) Yr Total Return Index; 5-10 Year Treasuries = Bloomberg Barclays US Treasury 5-10 Yr Total Return Index; 5-10 Year IG Corps = Bloomberg Barclays US Credit Corp 5-10Y Total Return Index; 5-10 Year Municipals = Bloomberg Barclays Municipal Bond: Muni Intermediate (5-10) Total Return Index; 10+ Year Treasuries = Bloomberg Barclays US Long Treasury Total Return Index; 10+ Year IG Corps = Bloomberg Barclays Long U.S. Corporate Total Return Index; 10+ Year Municipals = Weighted average of Bloomberg Barclays Municipal Bond 15 Year (12-17) TR Index, Bloomberg Barclays Municipal Bond 20 Year (17-22) TR Index & Bloomberg Barclays Municipal Long Bond Index (22+ TR Index; High Yield = Bloomberg Barclays US Corporate High Yield Total Return Index; High Yield Muni = Bloomberg Barclays Muni High Yield Total Return Index; US Dollar = US Dollar Index Spot Rate; Crude Oil (WTI) = Generic 1st Crude Oil, WTI; Gold = Gold Spot \$/Oz Curncy; Industrial Metals = Bloomberg Industrial Metals Subindex; Info Tech. = S&P Supercomposite Information Technology Sector GICS Level 1 Index; Healthcare = S&P Supercomposite Health Care Sector GICS Level 1 Index; Real Estate = S&P Supercomposite Real Estate Sector GICS Level 1 Index; Utilities = S&P Supercomposite Utilities Sector GICS Level 1 Index; Cons Stap = S&P Supercomposite Consumer Staples Sector GICS Level 1 Index; S&P 1500 = S&P 1500 Composite Index; Indust = S&P Supercomposite Industrials Sector GICS Level 1 Index; Materials = S&P Supercomposite Materials Sector GICS Level 1 Index; Financials = S&P Supercomposite Financials Sector GICS Level 1 Index; Cons Dis = S&P Supercomposite Consumer Staples Sector GICS Level 1 Index; Comm Srvc = S&P Supercomposite Communication Services Sector GICS Level 1 Index; Energy = S&P Supercomposite Energy Sector GICS Level 1 Index

## About this presentation:

*This document is provided for informational purposes only and does not constitute an offer or solicitation to purchase or sell any security or commodity. The information herein is being provided to you on a confidential basis and is intended only for the anticipated recipient or their authorized agents. Any opinions expressed herein are subject to change at any time without notice. Information has been obtained from sources believed to be reliable, but its accuracy and interpretation are not guaranteed. It should not be construed as legal or tax advice and is not intended to replace the advice of a qualified attorney or tax advisor. Past performance is not a guarantee of future results. Any decisions based on this information are made at your own risk.*