

WEEKLY MARKET SNAPSHOT

Week Ended | Friday, July 10, 2020

Market Commentary

Global equities gained another 1.8% last week. U.S. stocks gained 1.6%, while developed international and emerging markets added 0.5% and 3.6%, respectively. Year-to-date, global equities are down 3.2% with domestics down 1.7%, followed by emerging markets (-2.8%) and developed international (-9.7%). Bonds gained 0.1% adding to year-to-date gains of 5.4%. The US 10-yr treasury yield declined 3 bps to end the week at 0.64%.

Record numbers of new coronavirus cases in several Southern and Western states weighed on stocks to start the week, but positive news flow on vaccine development provided a late-week pickup. Initial and continuing jobless claims both declined by more than projected, easing (though not eliminating) concerns of a renewed downturn in the labor market. Expanded unemployment benefits are due to expire later this month unless Congress moves to extend them. On Thursday (7/9) U.S. Treasury Secretary Steven Mnuchin said he expects the Senate to approve another stimulus package by the end of the month. The HEROS Act, approved by the House on 5/15 includes provisions to extend the enhanced unemployment benefits – a point that appears to be a non-starter for the Republican-controlled Senate.

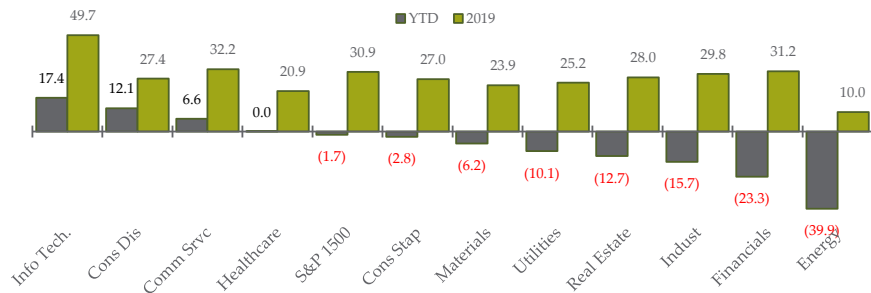
Second quarter earnings season kicks off this week with several major banks on the docket. Expectations are exceedingly low, with earnings for S&P 500 companies forecast to decline 44% year-over-year. From an economic perspective, the week ahead brings U.S. CPI (inflation) on Tuesday (7/14), retail sales data for June on Thursday (7/16) and University of Michigan consumer sentiment on Friday (7/17).

One Week To Date To Date To Date To Date One Year Three Years Five Years

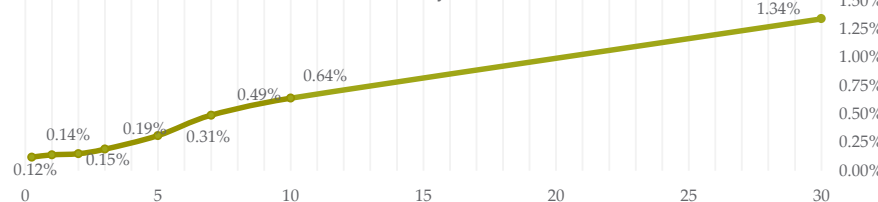
Total Returns (%)

Global Stocks	Price	1.8	3.3	3.3	(3.2)	4.5	7.3	7.1
US Stocks	720.7	1.6	2.5	2.5	(1.7)	7.0	10.7	10.6
Developed International	5794.3	0.5	1.9	1.9	(9.7)	(3.1)	1.5	2.3
Emerging Markets	512.9	3.6	7.8	7.8	(2.8)	4.5	4.4	5.3
Domestic Stocks	Price	1.6	2.5	2.5	(1.7)	7.0	10.7	10.6
Large Cap	3185.0	1.8	2.8	2.8	(0.4)	8.5	11.6	11.2
Large Cap Value	1073.1	0.0	0.4	0.4	(15.2)	(6.3)	3.8	5.8
Large Cap Growth	2187.0	3.0	4.5	4.5	12.7	19.7	17.9	15.1
Mid Cap	1773.0	(0.3)	(0.6)	(0.6)	(13.3)	(7.3)	2.2	5.1
Small Cap	817.4	(0.8)	(1.7)	(1.7)	(19.3)	(12.4)	0.2	4.1
Domestic Fixed Income	Yield	0.1	0.2	0.2	5.4	7.6	4.4	3.5
1-5 Year: Treasuries	0.20	0.0	(0.0)	(0.0)	4.2	5.6	3.2	2.3
IG Corps	1.10	0.1	0.2	0.2	3.5	5.8	3.9	3.4
Municipals	0.67	0.2	0.1	0.1	1.9	2.8	2.4	1.9
5-10 Year: Treasuries	0.47	0.1	0.1	0.1	9.7	11.8	6.1	4.6
IG Corps	1.89	0.3	0.7	0.7	6.0	10.4	6.6	6.0
Municipals	1.09	0.4	0.4	0.4	2.7	4.3	3.9	3.6
10+ Year: Treasuries	1.24	1.9	1.6	1.6	23.1	29.6	12.9	9.9
IG Corps	2.99	1.7	2.8	2.8	9.3	18.0	9.8	9.6
Municipals	1.95	0.7	0.7	0.7	2.7	5.4	5.4	5.1
High Yield	6.58	0.3	1.1	1.1	(2.8)	0.9	3.7	5.0
High Yield Muni	4.78	0.8	0.8	0.8	(1.8)	1.5	5.5	6.0

S&P 1500 | GICS Sectors | Total Return



US Treasury Yield Curve



Price Changes (%)

Currencies/Commodities	Price	1.8	3.3	3.3	(3.2)	4.5	7.3	7.1
US Dollar	96.7	(0.5%)	(0.8%)	(0.8%)	0.3%	(0.2%)	0.3%	0.1%
Crude Oil (WTI)	40.6	(0.2%)	3.3%	3.3%	(33.6%)	(32.7%)	(3.8%)	(5.1%)
Gold	1798.7	1.3%	1.0%	1.0%	18.5%	27.0%	13.8%	9.1%
Industrial Metals	110.5	5.2%	5.7%	5.7%	(3.5%)	(2.9%)	(0.9%)	0.3%

Coming This Week

Event	Date	Time	Period	Consensus Exp.
US Federal Budget Surplus/Deficit	7/13/2020	2:00 PM	Jun	(863.00)
China Imports/Exports	7/14/2020	NA	Jun	58.70
US CPI (Inflation) YoY	7/14/2020	8:30 AM	Jun	0.60%
US Industrial Production	7/15/2020	9:15 AM	Jun	4.30%
ECB Decision	7/16/2020	7:45 AM	Jul	0.00%
US Initial Jobless Claims	7/16/2020	8:30 AM	Wk Ended 7/11	1.25M
US Retail Sales	7/16/2020	8:30 AM	Jun	5.00%
US NAHB Housing Index	7/16/2020	10:00 AM	Jul	60.00
US Manufacturing Trade & Inv	7/16/2020	10:00 AM	May	(2.30%)
UofM Consumer Confidence	7/17/2020	10:00 AM	Jul	79.00

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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

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