

WEEKLY MARKET SNAPSHOT

Week Ended | Friday, January 8, 2021

Market Commentary

Global equities advanced 2.7% in the first week of 2021. U.S. stocks gained 2.2%, while developed and emerging international stocks added 3.2% and 4.8%, respectively. Over the last twelve months, global equities are up 19.0% led by emerging markets (+24.4%), followed by domestics (+19.7%) and developed international (+11.7%). Bonds retreated 0.5% for the week, up 5.9% over the last year. The U.S. 10-yr treasury yield climbed 20 basis points to close the week at 1.11%.

The S&P 500 moved higher to start the year charting new territory as market drivers that shaped late 2020 extended into 2021. In an eventful week, Democrats won both Georgia runoff elections to take control of the Senate raising expectations for additional fiscal stimulus. Despite disruptions of historic proportion, Congress completed its electoral vote count certifying Joe Biden as the next President of the United States. The U.S. labor market shed 140K payrolls in December marking the first decline since April. Restaurants (arguably the most affected by COVID-19 restrictions) led the decline with 372K layoffs. The unemployment rate was steady at 6.7%. Oil started the year on a strong note, rising above \$50/barrel for the first time since February on production cuts announced by Saudi Arabia.

In the week ahead, fourth quarter earnings season begins with a number of financials set to report. The week also brings CPI (inflation) on Wednesday (1/13) and U.S. retail sales on Friday (1/15). We are hosting our 2020 Year-in-Review and 2021 Outlook Seminar featuring Chairman Bill Johnston and Director of Research Nick Juhle on Thursday (1/14) – please contact any member of our team for details.

	One Week	Month To Date	Quarter To Date	Year To Date	One Year	Three Years	Five Years
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		Total Returns (%)						
Global Stocks	Price	2.7	2.7	2.7	2.7	19.0	10.0	14.3
US Stocks	876.0	2.2	2.2	2.2	2.2	19.7	13.4	16.9
Developed International	7135.0	3.2	3.2	3.2	3.2	11.7	4.6	9.5
Emerging Markets	654.3	4.8	4.8	4.8	4.8	24.4	6.4	15.5

		Total Returns (%)						
Domestic Stocks	Price	2.2	2.2	2.2	2.2	19.7	13.4	16.9
Large Cap	3824.7	1.9	1.9	1.9	1.9	19.7	13.8	17.0
Large Cap Value	1296.6	2.4	2.4	2.4	2.4	4.1	6.9	12.4
Large Cap Growth	2612.8	1.4	1.4	1.4	1.4	33.2	19.7	20.8
Mid Cap	2416.4	4.8	4.8	4.8	4.8	19.6	9.3	14.9
Small Cap	1190.3	6.4	6.4	6.4	6.4	18.9	9.4	15.4

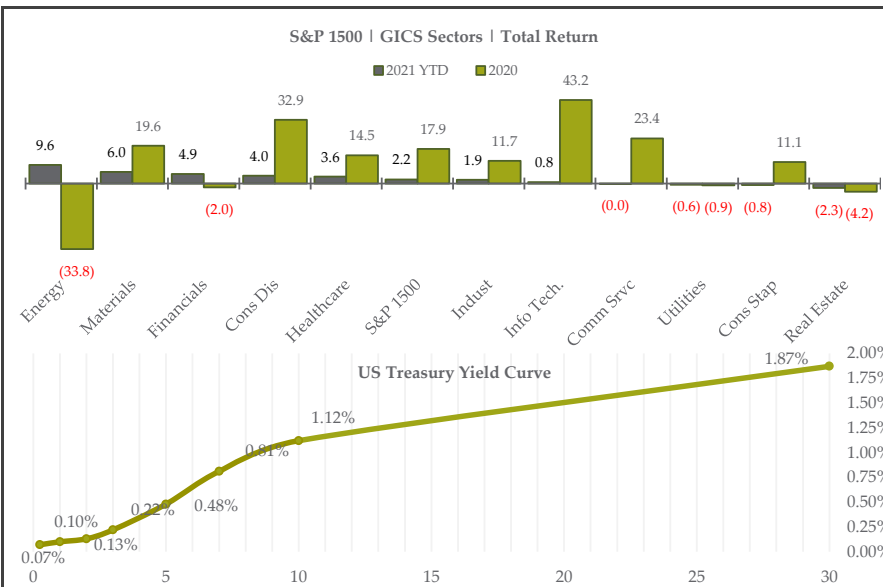
		Yield						
Domestic Fixed Income	Yield	(0.5)	(0.5)	(0.5)	(0.5)	5.9	4.6	3.4
1-5 Year: Treasuries	0.24	(0.2)	(0.2)	(0.2)	(0.2)	4.2	3.4	2.2
IG Corps	0.72	(0.2)	(0.2)	(0.2)	(0.2)	5.2	4.4	3.6
Municipals	0.42	0.0	0.0	0.0	0.0	2.6	2.7	1.9
5-10 Year: Treasuries	0.78	(1.1)	(1.1)	(1.1)	(1.1)	7.7	5.6	3.7
IG Corps	1.67	(0.9)	(0.9)	(0.9)	(0.9)	8.7	7.0	6.2
Municipals	0.75	(0.0)	(0.0)	(0.0)	(0.0)	4.5	4.5	3.3
10+ Year: Treasuries	1.73	(3.9)	(3.9)	(3.9)	(3.9)	12.6	8.8	6.6
IG Corps	2.99	(3.0)	(3.0)	(3.0)	(3.0)	10.9	8.6	9.4
Municipals	1.58	(0.1)	(0.1)	(0.1)	(0.1)	5.2	5.5	4.7
High Yield	4.16	0.2	0.2	0.2	0.2	7.0	6.0	8.7
High Yield Muni	3.78	0.7	0.7	0.7	0.7	4.7	7.0	6.6

Price Changes (%)

Currencies/Commodities	Price	0.2%	0.2%	0.2%	0.2%	(7.4%)	(0.8%)	(1.8%)
US Dollar	90.1	0.2%	0.2%	0.2%	0.2%	(7.4%)	(0.8%)	(1.8%)
Crude Oil (WTI)	52.2	7.7%	7.7%	7.7%	7.7%	(12.4%)	(5.4%)	9.5%
Gold	1849.0	(2.6%)	(2.6%)	(2.6%)	(2.6%)	18.8%	11.9%	10.9%
Industrial Metals	137.7	3.7%	3.7%	3.7%	3.7%	19.0%	0.5%	9.6%

Coming This Week

Event	Date	Time	Period	Consensus Exp.
China CPI YoY	1/10/2021	8:30 AM	Dec	0.00%
US CPI (Inflation) YoY	1/13/2021	8:30 AM	Dec	1.30%
US Federal Budget Surplus/Deficit	1/13/2021	2:00 PM	Dec	(123.50)
China Imports/Exports	1/14/2021	NA	Dec	72.00
US Initial Jobless Claims	1/14/2021	8:30 AM	Wk Ended 1/9	0.79M
US Retail Sales	1/15/2021	8:30 AM	Dec	0.00%
US Industrial Production	1/15/2021	9:15 AM	Dec	0.40%
UofM Consumer Confidence	1/15/2021	10:00 AM	Jan	80.00
US Manufacturing Trade & Inv	1/15/2021	10:00 AM	Nov	0.50%



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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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