

Market Perspectives

Weekly equity markets snapshot

As of April 23, 2021

Market related news for the week ending April 23, 2021

- Monday tobacco stocks like Altria and Philip Morris sold off after reports of new regulatory efforts being considered that would require tobacco companies to lower the nicotine levels of all cigarettes sold in the U.S., ban menthol cigarettes, or both.
- Tuesday after the close Netflix released earnings sending the stock nearly 9% lower in after-hours trading. The streaming company fell short of its own subscriber forecasts, adding 3.98 million paid net subscribers, well short of its guidance for 6 million.
- Electric vehicle stocks and solar companies were up Wednesday on the back of a pledge by President Biden to cut greenhouse gas emissions by at least half by 2030, nearly double what was proposed by former President Obama under the 2015 Paris climate agreement.
- Thursday Wall Street's main indexes fell after a report that President Joe Biden plans to almost double capital gains tax on \$1 million+ earners. Bitcoin also fell, dropping through the \$50,000 level.
- Homebuilding stocks rallied Friday after new home sales data for March showed a sharp rebound to the highest level since 2006.
- The week ended with about 25% of S&P 500 companies having reported earnings. 85% beat analyst's EPS estimates with energy and communications the big winners. The S&P 500's aggregate EPS is on track to rise 30% year-over-year on sales growth of 6.6%.

Market levels

	04/23/21	12/31/20	Market Low
Dow	34,043	30,606	6,547 (3/09)
S&P 500®	4,180	3,756	677 (3/09)
NASDAQ	14,017	12,888	1,268 (3/09)
VIX	17.33	22.75	56.7 (1/09)

Market total returns

	1 Week	QTD	YTD	2020
Dow	-0.42%	3.30%	11.86%	9.72%
S&P 500®	-0.11%	5.30%	11.79%	18.39%
NASDAQ	-0.25%	5.83%	8.96%	45.06%
Russell Midcap®	0.69%	5.47%	14.05%	17.10%
Russell 2000®	0.41%	2.34%	15.33%	19.93%
MSCI EAFE (Net)	-0.41%	3.80%	7.41%	7.82%
MSCI EM (Net)	0.35%	2.87%	5.23%	18.31%
FTSE NAREIT All Eq	1.86%	6.74%	15.62%	-5.08%

Global returns¹

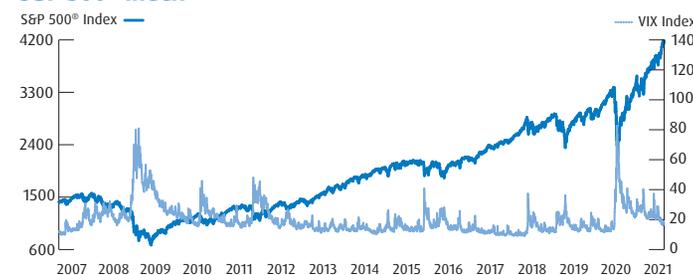
EAFE countries	1 Week	YTD	Emerging countries	1 Week	YTD
UK	-1.12%	8.72%	MSCI BRIC	0.96%	1.98%
Germany	-1.17%	11.38%	Brazil	-0.48%	1.27%
France	-0.32%	13.20%	Russia	0.99%	9.12%
Switzerland	0.10%	7.25%	India	-1.95%	0.43%
Japan	-2.23%	6.35%	China	1.43%	0.08%
Australia	-0.04%	8.83%	S. Korea	-0.39%	10.88%

¹ See page 3 for global returns country-specific indices.

Real assets

	04/23/21	12/31/20	YTD
Gold	\$1,777.20	\$1,898.36	-6.38%
Oil	\$62.14	\$48.63	27.78%
Nat Gas	\$2.73	\$2.56	6.85%
Bloomberg Commod.	\$88.40	\$78.05	13.26%
USD Index	\$90.86	\$89.94	1.03%
USD/EUR	\$1.21	\$1.22	-0.97%

Featured chart: Implied stock market volatility and the S&P 500® Index



Style returns

One week

	Large	Mid	Small
V	0.07%	0.65%	-0.01%
G	-0.18%	0.76%	0.85%

Year-to-date

	Large	Mid	Small
V	15.19%	18.12%	23.56%
G	8.41%	6.82%	7.72%

Russell Value and Growth Indices

Index characteristics

	Trlg P/E	Fwd P/E	Div Yield	Earn Yield
S&P 500®	28.29	20.67	1.43	3.53
MSCI EAFE	22.52	15.46	2.81	4.44
MSCI EM	20.07	13.35	2.38	4.98
Russell 1000®	28.07	21.21	1.37	3.56
Russell 2000®	21.73	26.46	0.88	4.60

S&P sector performance

	Weight	1 Week	QTD	YTD
Information technology	27.3%	-0.5%	7.5%	9.7%
Health care	13.0%	1.8%	6.0%	9.3%
Consumer discretionary	12.5%	-1.2%	6.1%	9.4%
Financials	11.3%	0.0%	4.0%	20.6%
Telecommunications	10.9%	-0.6%	4.8%	13.3%
Industrials	8.7%	0.5%	3.2%	15.0%
Consumer staples	5.9%	-0.3%	2.2%	3.4%
Materials	2.7%	0.4%	5.3%	14.9%
Utilities	2.6%	-0.9%	4.0%	7.0%
Energy	2.6%	-1.7%	-2.9%	27.0%
REITs	2.4%	2.1%	7.1%	16.3%

Source: Bloomberg.

For general information only.

Market conditions and trends will vary. Past performance is no guarantee of future results.

Market Perspectives

Weekly fixed income markets snapshot

As of April 23, 2021

Economic news for the week ending April 23, 2021

- Monday: No major releases.
- Tuesday: No major releases.
- Wednesday: No major releases.
- Thursday: Initial Jobless Claims were 547,000, much lower than expected and down from the prior week's 586,000.
- Thursday: Chicago Fed National Activity for March was 1.71.
- Thursday: Existing Home Sales for March came in at 6.01 million, lower than expected due to limited supply.
- Friday: Manufacturing PMI for April (prelim) was 60.6.
- Friday: Markit Composite PMI for April (prelim) came in at 62.2, up from March's 59.7.
- Friday: Services PMI for April (prelim) was 63.1, higher than expected and up from the prior 60.4.
- Friday: New Home Sales for March were 1,021,000, much higher than expected and up from February's 846,000.

Economic events for the week ending April 30, 2021

(all times listed are Eastern)

- Monday: Durable Goods Orders for March at 8.30am.
- Tuesday: S&P Case Shiller House Price Index for February at 9.00am.
- Tuesday: CB Consumer Confidence for April at 10.00am.
- Wednesday: Fed Rate Decision at 2.00pm.
- Thursday: GDP for Q1 at 8.30am.
- Thursday: Pending Home Sales for March at 10.00am.
- Friday: PCE Price Index for March at 8.30am.
- Friday: Chicago PMI for April at 9.45am.
- Friday: Michigan Consumer Sentiment for April at 10.00am.

Bond market returns

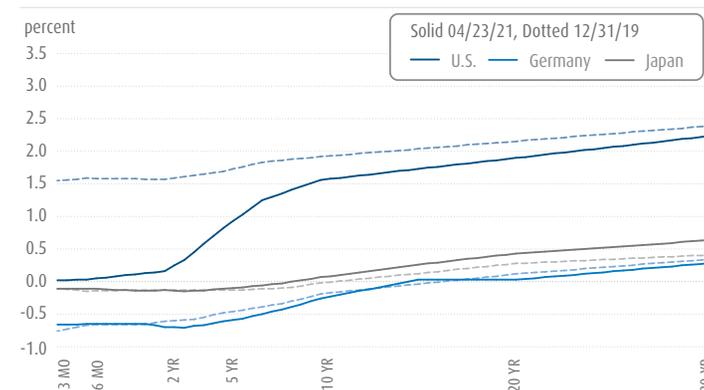
	U.S. Aggregate	Intermediate Gov't/Credit	U.S. Treasury	Inv. Grade Corporates	MBS	1-10-Yr Municipals	High Yield	EM Corporates
1-Week Total Return	0.13%	0.10%	0.17%	0.23%	0.00%	0.04%	-0.03%	0.25%
MTD Total Return	0.97%	0.56%	0.99%	1.40%	0.55%	0.61%	0.88%	0.91%
3-Month Total Return	-1.70%	-1.00%	-2.30%	-2.12%	-0.57%	0.20%	1.25%	-0.19%
YTD Total Return	-2.43%	-1.31%	-3.30%	-3.31%	-0.56%	0.35%	1.74%	-0.41%
12-Month Total Return	-0.05%	1.34%	-4.27%	4.77%	0.11%	4.91%	19.98%	13.79%
Effective Duration (years)	6.42	4.18	6.91	8.58	3.88	3.78	3.84	4.97
Effective Maturity (years)	8.42	4.48	8.13	12.10	5.42	5.87	6.52	7.04
Yield to Worst	1.50%	0.92%	0.93%	2.16%	1.67%	0.58%	4.04%	3.80%
OAS (basis points)	31	23	NA	90	10	NA	298	298
Average OAS (from January 1997)	63	55	NA	153	55	NA	550	491

Key rates

	This week	Prior week	Most recent quarter-end	2020 year-end
2-Year Treasury	0.16	0.16	0.16	0.12
5-Year Treasury	0.82	0.83	0.94	0.36
10-Year Treasury	1.56	1.58	1.74	0.92
2-Year AAA Muni	0.07	0.07	0.13	0.13
5-Year AAA Muni	0.39	0.39	0.50	0.21
10-Year AAA Muni	0.92	0.92	1.07	0.68
2-Year A Corporate	0.36	0.38	0.41	0.32
5-Year A Corporate	1.22	1.24	1.33	0.77
10-Year A Corporate	2.31	2.32	2.47	1.62

Fixed income markets

Developed markets | Government Bond yield curves



Source: Barclays Capital, Bloomberg.

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¹ Global returns shown on page one represent the following indices: FTSE 100 Index (UK), Deutsche Borse AG German Stock Index (Germany), CAC 40 Index (France), Swiss Market Index (Switzerland), Nikkei-225 Stock Average (Japan), S&P/ASX 200 (Australia), MSCI BRIC Index, Ibovespa Brasil Sao Paulo Stock Exchange Index (Brazil), Russian Trading System Cash Index (Russia), S&P BSE Sensex Index (India), Korea Stock Exchange KOSPI Index (South Korea), The Shanghai Stock Exchange Composite Index (China).

Equity indices

S&P 500® Index (S&P 500®) is an unmanaged index of large-cap common stocks.

Dow Jones Industrial Average (Dow) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

Russell 1000® Index (Russell 1000®) consists of approximately 1,000 of the largest companies in the U.S. equity markets.

Russell 1000® Growth Index measures the performance of those Russell 1000 Companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000® Value Index measures the performance of those Russell 1000 Companies with lower price-to-book ratios and lower forecasted growth values.

Russell Midcap® Index (Russell Midcap®) measures the performance of the smallest 800 U.S. companies in the Russell 1000 Index.

Russell Midcap® Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap® Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000® Index (Russell 2000®) is an unmanaged index that measures the performance of the smallest 2000 U.S. companies in the Russell 3000® Index.

Russell 2000® Growth Index measures the performance of those Russell 2000 Companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000® Value Index measures the performance of those Russell 2000 Companies with lower price-to-book ratios and lower forecasted growth values.

MSCI EAFE Index (NDDUEAFE) (Developed Markets)—MSCI EAFE Index Europe, Australasia, and Far East Index (EAFE) is a standard unmanaged foreign securities index representing major non-U.S. stock markets, as monitored by Morgan Stanley Capital International.

MSCI Emerging Markets Index (NDUEEGF) is a market capitalization weighted index comprised of over 800 companies representative of the market structure of the emerging countries in Europe, Latin America, Africa, Middle East and Asia. Prior to January 1, 2002, the returns of the MSCI Emerging Markets Index were presented before application of withholding taxes.

NASDAQ Composite Index is a market-cap weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange.

VIX Index—The Chicago Board Options Exchange Market Volatility Index is a measure of implied volatility of S&P 500 index options, often referred to as the “fear” index.

MSCI BRIC Index (NDUEBRIC) is a free float weighted equity index designed to measure performance of the following four emerging market country indices: Brazil, Russia, India and China.

NIKKEI 225 Index is a price-weighted average of 225 top-rated Japanese companies listed in the First Section of the Tokyo Stock Exchange.

KOSPI Index is a capitalization-weighted index of all common shares on the Korean Stock Exchanges.

FTSE NAREIT All Eq REITs Index contains all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property that also meet minimum size and liquidity criteria.

FTSE 100 Index is a capitalization-weighted index of the 100 most highly capitalized companies traded on the London Stock Exchange. The equities use an investibility weighting in the index calculation.

Deutsche Borse AG German Stock Index (DAX) is a total return index of 30 selected German blue chip stocks traded on the Frankfurt Stock Exchange. The equities use free float shares in the index calculation.

CAC 40 Index is a modified cap-weighted index of 40 companies on the Paris Bourse.

Swiss Market Index is an index of the largest and most liquid stocks traded on the Geneva, Zurich, and Basle Stock Exchanges.

S&P/ASX 200 measures the performance of the 200 largest index-eligible stocks listed on the ASX by float-adjusted market capitalization. Representative liquid and tradable, it is widely considered Australia’s preeminent benchmark index. The index is float-adjusted.

Ibovespa Brasil Sao Paulo Stock Exchange Index is a gross total return index weighted by market value to the free float & is comprised of the most liquid stocks traded on the Sao Paulo Stock Exchange.

Russian Trading System Cash (RTS) Index is cap-weighted composite index calculated based on prices of the 50 most liquid Russian stocks of the largest and dynamically developing Russian issuers presented on the Moscow Exchange.

S&P BSE Sensex Index is a cap-weighted index. The index members have been selected on the basis of liquidity, depth, and floating-stock-adjustment depth and industry representation.

Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

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Fixed income indices

Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index that covers the U.S. investment-grade fixed-rate bond market, including government and credit securities, agency mortgage pass-through securities, asset-backed securities and commercial mortgage-based securities.

Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index is an unmanaged index comprised of government and corporate bonds rated BBB or higher with maturities between 1-10 years.

Bloomberg Barclays U.S. Corporate Bond Index is designed to measure the performance of the U.S. corporate bond market.

Bloomberg Barclays U.S. Treasury Index is an unmanaged index that includes a broad range of U.S. Treasury obligations and is considered representative of U.S. Treasury bond performance overall.

Bloomberg Barclays U.S. MBS Index is an index that includes 15- and 30-year fixed-rate securities backed by mortgage pools of GinnieMae, FreddieMac and FannieMae.

Bloomberg Barclays U.S. Corporate High-Yield Bond Index is an unmanaged index that covers the USD-denominated, non-investment-grade, fixed-rate, taxable corporate bond market.

Bloomberg Barclays 1-10 Year Blend Municipal Bond Index is a market value-weighted index which covers the short and intermediate components of the Barclays Capital Municipal Bond Index—an unmanaged, market value-weighted index which covers the U.S. investment-grade tax-exempt bond market.

Bloomberg Barclays Emerging Markets Corporate Index is a component of the Barclays US Emerging Markets Index which is made up of debt issued by corporations.

Other Definitions

Duration: incorporates a bond's yield, coupon, final maturity and call features into one number, expressed in years, that indicates how price-sensitive a bond or portfolio is to changes in interest rates. Effective duration can also be defined as the approximate percentage change in a security's price that will result from a 1% (100-basis-point) change in its yield.

Yield to Worst: lowest potential yield that can be received on a bond without the issuer defaulting. This yield measure takes in to account any bond calls or sinking funds.

OAS: acronym for "option adjusted spread" which is the spread that has to be added to the Treasury yield curve in a pricing model (including embedded options) to discount a security to match its market price.

Investments cannot be made in an index.

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