



Index	Price	Price Returns	
	Close	Week	YTD
S&P 500 Index	4,020	1.1%	7.0%
Dow Jones Industrial Average	33,153	0.2%	8.3%
NASDAQ	13,480	2.6%	4.6%
Russell 2000 Index	2,254	1.5%	14.0%
MSCI EAFE Index	2,208	-0.4%	2.8%
10-yr Treasury Yield	1.68%	0.0%	0.8%
Oil WTI (\$/bbl)	\$61.22	0.4%	26.2%
Bonds*	\$114.04	0.1%	-3.4%

Source: Bloomberg, FactSet

*Bonds represented by the iShares U.S. Aggregate Bond ETF

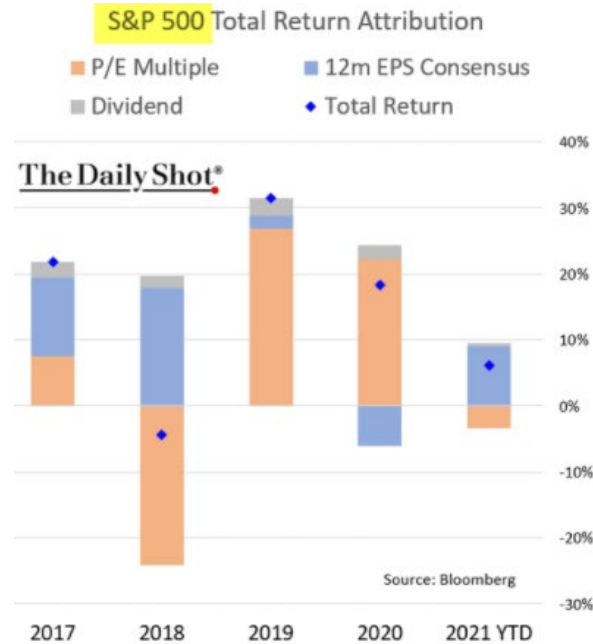
Last Week:

U.S. Equity Market

- U.S. large cap equities (S&P 500® Index) rose +1.1% as the S&P 500 Index crossed over the 4,000-point mark for the first time on Thursday. Consumer confidence increased to its highest level since before the COVID-19 crisis, strong manufacturing data was reported, and President Biden's "American Jobs Plan" proposed \$2.25 trillion in new spending over eight years. Biden's plan is expected to increase spending on transportation infrastructure, manufacturing, research and development, clean energy, and other initiatives, and will likely be funded by parallel tax increases for corporations over 15 years. In a reversal of the previous week's trends, growth/momentum stocks outperformed value/cyclical stocks this week.
- S&P 500 Index Sector Returns:
 - Communication services (+3.4%) outperformed, led by Netflix (+6.2%), **Facebook** (+5.5%), **Alphabet** (+5.2%), **Activision Blizzard** (+3.4%), Spotify (+4.5%), and Twitter (+4.2%).
 - Consumer discretionary (+2.2%) rose, led by Tesla (+7.0%) and **Amazon** (+3.6%).
 - Information technology (+2.1%) rose, led by **Twilio** (+10.1%), **Shopify** (+8.5%), **Okta** (+7.6%), NVIDIA (+7.6%), Salesforce (+4.6%), **NXP Semiconductors** (+4.6%) and **Microsoft** (+2.5%).
 - Utilities (+0.8%) rose, led by NextEra Energy (+2.3%), and Southern Company (+1.1%).
 - Industrials (+0.5%) underperformed, paced by strength in airlines and Boeing (+3.3%).
 - Financials (+0.2%) underperformed, led by the banks.
 - Materials (-0.3%) fell, led lower by PPG (-1.9%) and **Sherwin-Williams** (-1.3%).
 - Energy (-0.4%) fell, despite oil (WTI) rising +0.4%.
 - Health care (-0.6%) fell, led lower by managed care and hospitals.
 - Consumer staples (-0.8%) fell, led lower by Altria (-2.9%) and Phillip Morris (-2.8%).



- During the first quarter of 2021, the total return for the S&P 500 Index was driven by earnings growth, which is a reversal of 2020's P/E multiple expansion-driven year.



Source: The Daily Shot

- Historically, April is a strong month for U.S. equity returns.

Chart 13: S&P 500 seasonality shows that April is a strong month going back to 1928.

April is the second best month behind July in terms of average return and the second best month behind December in terms of the percentage of time up.



Source: Yahoo Finance

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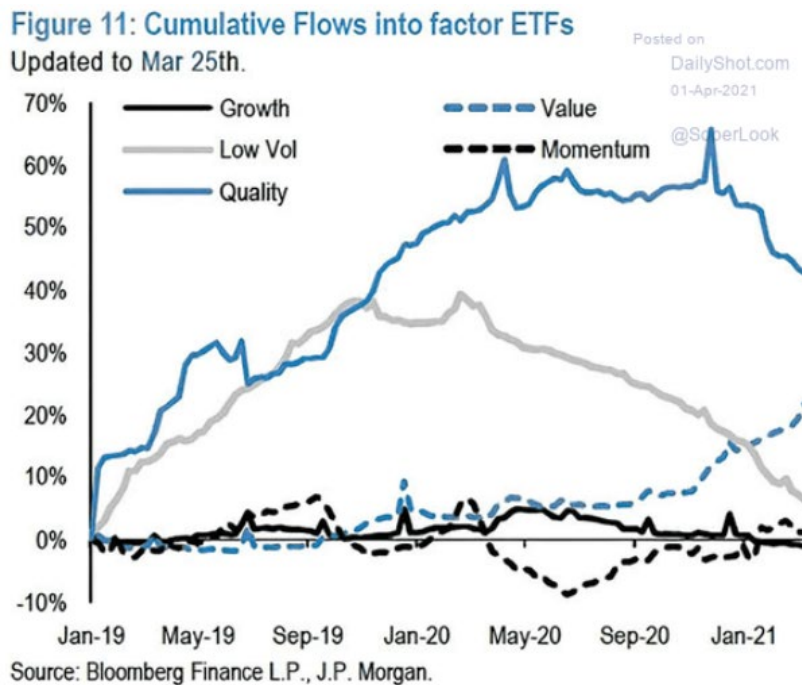


- The second quarter of the presidential cycle, historically, also tends to be positive for equity investors.



Source: The Daily Shot

- The chart below suggests that investor flows are increasing in value stocks, while decreasing in stocks with quality and low volatility factors.

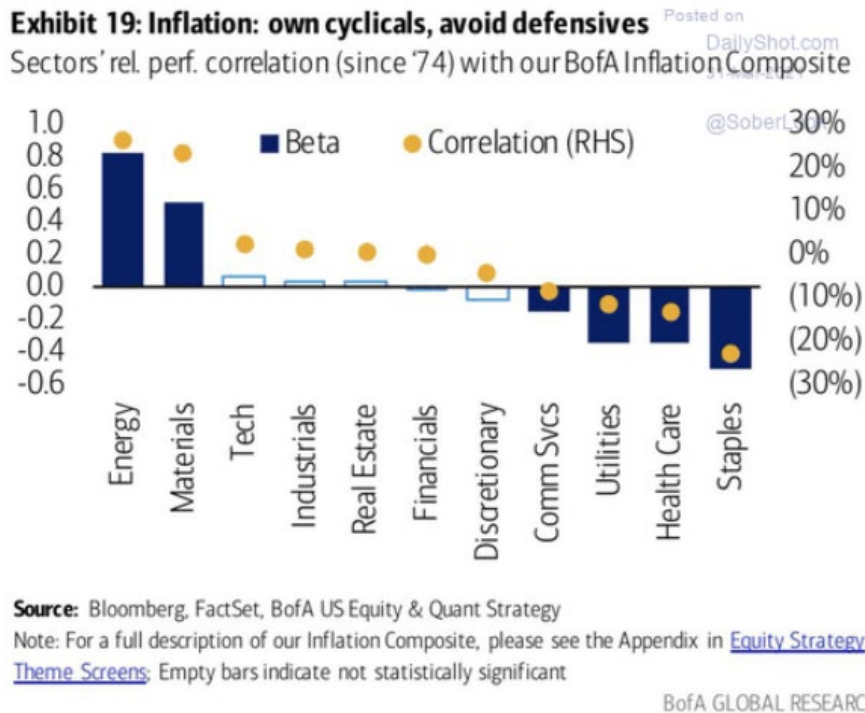


Source: The Daily Shot

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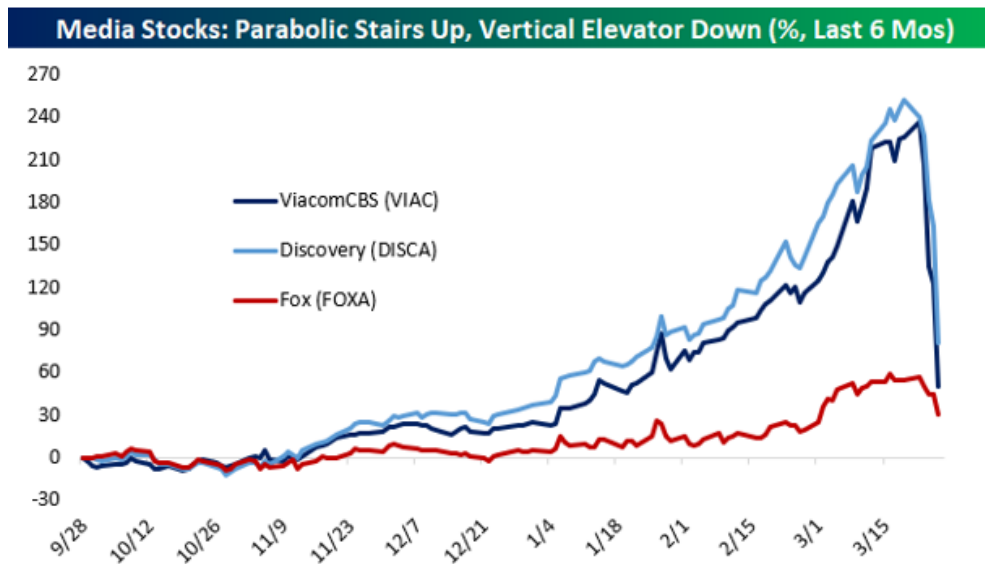


- Historically, Energy, and Materials outperform, while defensive sectors underperform, during periods of higher inflation.



Source: The Daily Shot

- Media stocks rose quickly over the past several months, but fell even faster.



Source: The Daily Shot

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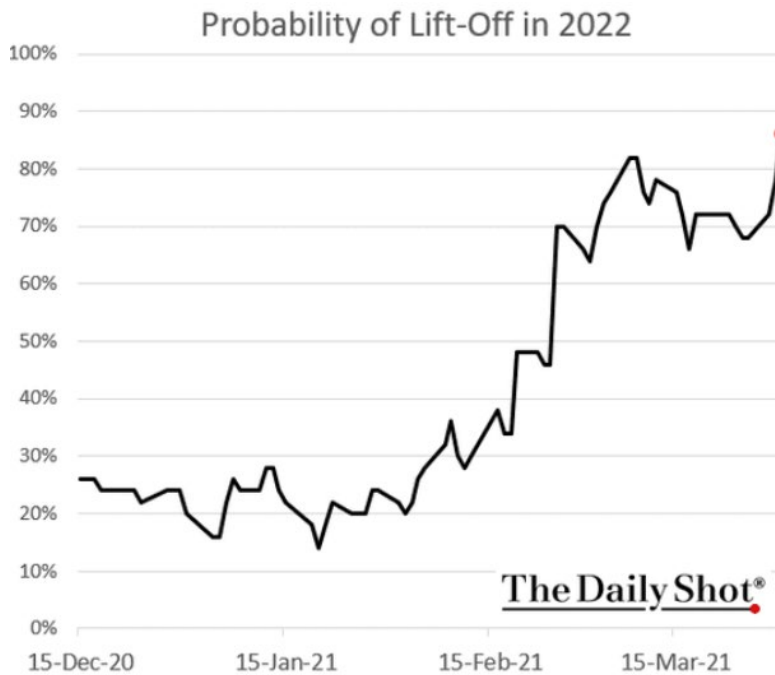
Fixed Income Markets

- Ten-year Treasury yields again explored 1.75% territory, nearing beginning-of-2020 levels, and an area where they've faced resistance in recent weeks.



Source: FactSet

- The probability of an interest rate hike next year is approaching 90%, according to the futures market.



Source: The Daily Shot

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U.S. Economic and Political News

- Consumer Confidence surged to 109.7 in March, well above the 96.0 consensus forecast, and the highest level since the pandemic.
- Weekly Jobless Claims printed 719,000 for the week.
- Chicago PMI rose to 66.3 in March, well above the 60.5 Street view.
- While Wall Street was closed Friday, the Non-Farm Payrolls showed a gain of 916,000 jobs in March, well above consensus estimates. That's contributing to a rise in ten-year Treasury yields and in stock market futures early this (Monday) morning.

International Markets and News

- The ship blocking the Suez Canal was freed Monday morning, reopening a key world transit point. The Suez Canal Authority indicates that all of the remaining congestion is now alleviated.
- The Chinese stock market (Shanghai Composite) rose +1.4%, boosted by news of an additional tax reduction of RMB 550B to consolidate the economic recovery, along with strong March PMI data, and improving equity sentiment in the U.S./global markets.
 - The National Bureau of Statistics (NBS) reported that profits for larger industrial enterprises in January/February surged 179% year-over-year from the pandemic low base, but also 31.2% on a two-year average.
- European markets (STOXX 600 Index) rose 2%, as U.S./global equity markets rallied and European Central Bank (ECB) President Lagarde said the end of the Pandemic Emergency Purchase Programme is "not set in stone."
 - French President Emmanuel Macron announced a third nationwide lockdown that will last a month to reduce COVID-19 infections.
 - Eurozone inflation rose to 1.3% in March from 0.9% in February on higher energy and non-processed food prices. The ECB said there would be a temporary spike in inflation, which will then slow to well below the 2% target over the next few years.
- Japanese equities (Nikkei 225 Index) rose +0.7% in sympathy with rising global equity markets despite some disappointing economic results, and new COVID-19 cases exceeding 10,000 for the first time in six weeks.



This Week:

- Tesla reported first quarter deliveries well above consensus expectations.
- GameStop said it plans to sell up to 3.5 million shares of common stock.
- Corporate earnings reports will be light this week, with notable earnings including, but not limited to: **Constellation Brands**, Paychex, ConAgra Foods, Fast Retailing, Levi's, ASOS, and Pricesmart.
- U.S. Economic data:
 - Monday: Services PMI, Factory Orders, ISM Non-Manufacturing Index
 - Tuesday: JOLTS
 - Wednesday: MBA Mortgage Purchase Applications, Trade Balance, Ivey PMI, Consumer Credit
 - Thursday: Limited economic data
 - Friday: PPI ex Food, Energy, PPI, Employment, Unemployment Rate

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®
Executive Director

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The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.

The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

The NASDAQ Composite Index is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depository receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.

The NASDAQ-100 Index includes 100 of the largest domestic and international non-financial companies listed on The NASDAQ Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain securities of financial companies including investment companies.

The MSCI EAFE Index is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Developed Markets countries in the MSCI EAFE Index include: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the U.K.

The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The Nikkei 225 is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.

The 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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