

June 2021 Market Watch

U.S. markets closed higher in June for the fifth consecutive quarter, driven by the reopening of economies, stimulus and the central bank liquidity tailwind. Last month's top performer, the Dow Jones Industrial Average, was June's laggard. Moreover May's laggard, the Tech-heavy NASDAQ composite, was June's top performer.

Official Q1 GDP estimates released in June confirmed that the U.S. economy grew at an annualized pace of +6.4% in the first quarter. Consensus estimates anticipate +10% growth for the second quarter. The Consumer Confidence Index rose again and now stands at 127.3, the highest level since the onset of the pandemic. Consumer spending, 2/3rds of economic output, remains strong as consumer balance sheets remain healthy and significant appetite remains for both goods and services including motor vehicles, appliances, homes, and vacations.

Consumer prices increased for the 3rd straight month in May. The headline Consumer Price Index's (CPI) annual rise was the largest since August 2008. The increase was driven by strong growth off of depressed economic conditions last year due to COVID-19. Excluding volatile food and energy, May Core CPI was up 3.5%, the largest increase since June 1992.

All eyes continue to stay on whether inflation concerns will materialize, and if the Fed have to act in the near future.

	Date	1 Week Ago		1 Month Ago		YTD	1 Year Ago	
	6/30/2021	6/23/2021	% Chg*	5/31/2021	% Chg*	% Chg*	5/31/2020	% Chg*
DJIA	34,502.5	33,874.2	1.9%	34,529.5	-0.1%	12.7%	25,383.1	35.9%
S&P 500	4,297.5	4,241.8	1.3%	4,204.1	2.2%	14.4%	3,044.3	41.2%
NYSE Comp Index	16,555.4	16,437.6	0.7%	16,555.7	0.0%	14.0%	11,802.9	40.3%
NASDAQ Composite	14,504.0	14,271.7	1.6%	13,748.7	5.5%	12.5%	9,489.9	52.8%
Russell 2000	2,310.5	2,303.5	0.3%	2,269.0	1.8%	17.0%	1,394.0	65.7%
MSCI EM (Emerging Markets)	1,374.6	1,360.5	1.0%	1,360.8	1.0%	6.5%	930.4	47.8%
MSCI EAFE	2,304.9	2,321.8	-0.7%	2,341.4	-1.6%	7.3%	1,725.1	33.6%
Japan Nikkei 225	28,791.5	28,874.9	-0.3%	28,860.1	-0.2%	4.9%	21,877.9	31.6%
FTSE 100	7,037.5	7,074.1	-0.5%	7,022.6	0.2%	10.9%	6,076.6	15.8%
SSE Comp Index	3,591.2	3,566.2	0.7%	3,615.5	-0.7%	3.4%	2,852.4	25.9%

US Equity Sector Performance

	June	YTD	1 Yr Ret.
Consumer Discretionary	3.8%	10.3%	43.9%
Consumer Staples	-0.2%	5.0%	22.9%
Energy	4.6%	45.6%	47.4%
Financials	-3.0%	25.7%	61.2%
Health Care	2.3%	11.9%	24.9%
Industrials	-2.2%	16.4%	54.5%
Information Tech	7.0%	13.8%	52.6%
Materials	-5.3%	14.5%	51.7%
Communication Services	2.7%	19.7%	47.6%
Utilities	-2.2%	2.4%	10.4%
Real Estate	3.4%	22.9%	32.5%

US Equity Style Performance

	June	YTD	1 Yr Ret.
Dow Jones Utilities	-2.4%	1.3%	8.6%
DJ TRANS Avg.	-5.5%	19.7%	64.2%
Russell 1000 Value	-1.1%	17.0%	42.7%
Russell 1000 Growth	6.3%	13.0%	48.7%
Russell 2000 Value	-0.6%	26.7%	78.3%
Russell 2000 Growth	4.7%	9.0%	57.2%

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Bond Markets (%)

	6/30/21	1 Mth Ago	1 Yr Ago
US Benchmark Bond – 3 Mth	0.05	0.01	0.15
US Benchmark Bond – 6 Mth	0.06	0.03	0.18
US Benchmark Bond – 2 Yr	0.25	0.14	0.14
US Benchmark Bond – 5 Yr	0.88	0.79	0.30
US Benchmark Bond – 10 Yr	1.45	1.58	0.65
US Benchmark Bond – 30 Yr	2.06	2.26	1.42

US Bond Sector Performance

	June	YTD	1 Yr Ret.
Bloomberg Barclays U.S. Govt. Intrm. TR	-0.07%	-1.12%	-1.14%

Exchange Rates (per US dollar)

	6/30/21	1 Mth Ago	1 Yr Ago
Canadian Dollar	1.238	1.208	1.382
Mexican Peso	19.911	19.908	22.130
Euro	0.843	0.818	0.899
British Pound	0.724	0.703	0.809
Swiss Franc	0.924	0.899	0.961
Chinese Yuan	6.461	6.361	7.146
Indian Rupee	74.330	72.623	75.616
Japanese Yen	110.990	109.395	107.735

Commodities (In US dollars)

	6/30/21	1 Mth Ago	1 Yr Ago
Gold	1,771.60	1,905.30	1,751.70
Crude Oil	73.47	66.32	35.49
US Dollar Index	92.43	89.99	98.34
Bloomberg Commodity Index	94.54	92.83	63.54

Interest Rates (%)

	6/30/21	1 Mth Ago	1 Yr Ago
Prime Rate	3.25	3.25	3.25
Federal Funds Rate	0.10	0.06	0.05
Libor Rate 30 Day	0.10	0.09	0.18
Libor Rate 3 Months	0.14	0.13	0.34
30yr Fixed Mortgage	3.02	2.95	3.15

Economic Sentiment

	6/30/21	1 Yr Ago
Unemployment Rate	5.80%	13.30%
Average Single Family Home	376,000	320,000
Capacity Utilization	75.23%	64.66%

*Performance for world indices represents price returns (excluding dividends) for the DJIA, S&P 500, NASDAQ, Russell 2000, MSCI EM, MSCI EAFE, NYSE, SSE, and Nikkei, due to data availability.

Home sales in the U.S. increased in May at its fastest pace on record. The median existing home price in May was over \$350,000, a 25% increase from last year. Moreover, last month's home value increase marks over 100 straight months of year-over-year price gains.

Info. Tech led all sectors in June by a wide margin after being a laggard in May. Materials, Financials & Industrials all underperformed this month following solid performance in May. For the year, the Energy sector has retained its lead by a wide margin, up 46%, as a strong recovery in oil demand has pushed oil prices higher.

Developed International Equities (MSCI EAFE) -1.6% closed lower while Emerging Markets (MSCI EM) +1.0% closed higher in June. Vaccination campaigns continued to accelerate in most developed countries, especially Europe, which is now catching the UK and US. Emerging economies continued to lag on the vaccination front, but cases remain low in China and seem to have peaked in India.

Longer-dated U.S. government yields fell from May levels with the 10-Yr at 1.45% and the 30-Yr at 2.06% while the 2-Yr note rose to 0.25%.

Commodity prices continued to rise this month. The Bloomberg Commodity Index gained +1.84%. WTI crude oil closed +10.78% higher at \$73.47 as U.S. stockpiles fell for the 6th straight week as refiners ramped output in response to rising demand. Gold closed down -7.02%.

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