Weekly Market Recap

**The week in review**

- Flash mfg./services PMI at 49.6/46.7
- Jobless claims at 1,480k
- Consumer sentiment rose to 78.1
- Headline/Core PCE at 0.5%/1.0% y/y

**The week ahead**

- Employment report
- Markit/ISM mgf. PMI
- FOMC minutes
- Consumer confidence

**Thought of the week**

Last week, the IMF released an update on its World Economic Outlook in which it downgraded 2020 global growth to -4.9%, the largest contraction since 1946. This change reflects a worse than expected impact from COVID-19 in the first half of this year, and a slower recovery in the second half than previously projected. The report attributes the deeper downturn to weaker consumption due to lockdowns and steep income losses, as well as subdued investment amid a highly uncertain environment. However, it noted that sizeable fiscal and monetary stimulus around the world has partially offset the damage. Still, for the first time, all regions are likely to experience negative growth this year, although to varying degrees. In economies where infection rates are declining, an early recovery is expected, although it may drag on due to continuing social distancing and reduced productivity as businesses operate with health precautions in place. As for countries that are still struggling to control the virus, more severe social distancing measures will weigh further on economic activity. The IMF also revised down global growth for 2021 by -0.4% to 5.4%. Although this is slower than previously forecast, this should be the fastest growth since 1964. While global economic growth should be slow for the rest of this year, it is expected to surge in 2021 and investors should start asking whether they are positioned for an eventual global economic recovery.

Please see important disclosure on next page.
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Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor’s, Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composed of 30 widely traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC, Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI – EAFE; provided by: MSCI – gross official pricing, Index: MSCI – EM; provided by: MSCI – gross official pricing.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Barclays US Aggregate; provided by: Barclays Capital. Index: Barclays investment Grade Credit; provided by: Barclays Capital. Index: Barclays Municipal Bond 10 Yr; provided by: Barclays Capital. Index: Barclays Capital High Yield Index; provided by: Barclays Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet; Bloomberg Commodity Index (BBG idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P 500 Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM period). Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet’s Pricing database as provided by Standard & Poor’s.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet’s Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet’s Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor’s. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap 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), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

Diversification does not guarantee investment returns and does not eliminate the risk of loss.

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Unless otherwise stated, all data is as of June 29, 2020 or as of most recently available.

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