

# Weekly Update

## 06/21/21

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	-1.87%	11.71%
International Developed	MSCI EAFE	-2.40%	8.92%
Emerging Markets	MSCI EM	-1.45%	6.25%
Fixed Income	BBgBarc US Agg Bond	0.11%	-1.60%

Stocks were lower last week as a surprise from the Fed caused a negative investor reaction. At the conclusion of the June FOMC meeting the Fed announced that they now expect to raise rates twice in 2023, after previously expecting no rate hikes until 2024. This news caused a bit of repricing in markets, as cyclicals and inflation play stocks dipped and growthier names fared better. There was not much movement in the short to intermediate-term area of the bond market but yields on 30-year bonds did decline based on the news. It appears we are back to where we were a few years ago, hanging on every word from the Fed and trying to parse out meaning in the hopes of predicting their moves. Expect future silliness around upcoming Fed meetings but little long-term impact on markets. We continue to anticipate economic growth and higher equity markets, along with increasing bond yields.

\*Index returns are from Morningstar and are calculated on a total return basis, with dividends reinvested.