

Weekly Update

07/12/21

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	0.42%	17.24%
International Developed	MSCI EAFE	-0.07%	9.26%
Emerging Markets	MSCI EM	-2.60%	3.22%
Fixed Income	BBgBarc US Agg Bond	0.31%	-1.18%

It was a good week for domestic markets, with gains in both stocks and bonds. International equities, however, suffered losses and continue to trail the S&P 500. The most notable movements last week took place in bond markets, where treasury yields dipped lower, as the 10-year fell to 1.36%. The drop in yields has some investors questioning the economic recovery and whether the reopening trade has run its course. We continue to believe that this dip in bond yields will prove to be temporary. The slower vaccine rollout around the world may be playing a part in this recent move, but data from Europe shows that vaccinations have picked up and we expect that Asia too will start to vaccinate more people soon. Meanwhile, US economic data is expected to remain strong in the coming quarters. We would not read too much into recent market moves, and we continue to expect higher yields and more tailwinds for cyclical value stocks over the medium-term.

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