

## Weekly Update

### 08/23/21

		<u>Last Week</u>	<u>YTD Returns</u>
Domestic Equities	S&P 500	-0.55%	19.36%
International Developed	MSCI EAFE	-2.95%	9.21%
Emerging Markets	MSCI EM	-4.62%	-4.10%
Fixed Income	BBgBarc US Agg Bond	0.16%	-0.65%

Stocks were broadly lower last week. Disappointing economic data out of China dampened sentiment towards the global economy and stocks in general. COVID remains a headwind, particularly with the ongoing current wave. In addition to COVID-related slowdowns, we are contending with supply chain issues, a possible shift in monetary policy, and a general lack of leadership and seasonal weakness in equity markets as summer winds down. However, we view some of these as short-term problems. We expect that this wave of infections will eventually wane and lead to improved sentiment towards riskier assets. Meanwhile, the Fed's Jackson Hole meeting is this week, where an announcement of the tapering of bond purchases is a strong possibility. At a minimum, the Fed should provide some clarity for investors. Regardless of any short-term volatility, we expect to see markets eventually move higher, with cyclical stocks possibly taking the lead once again.

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