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BEAR MARKET RALLY TAKES A PAUSE

Jeffrey Buchbinder, CFA, *Equity Strategist, LPL Financial*

George Smith, CFA, CAIA, CIPM *Senior Analyst, LPL Financial*

EQUITIES

Data as of: 04/3/2020

Index	Price	WTD%	QTD%	YTD%
DJIA	21052.53	-2.70	-3.94	-26.23
S&P 500	2488.65	-2.08	-3.71	-22.97
Nasdaq	7373.08	-1.72	-4.25	-17.83
Russell 2000	1052.05	-7.06	-8.76	-36.95
Russell 1000 Growth	1454.00	-2.06	-4.11	-17.88
Russell 1000 Value	941.34	-3.17	-3.99	-30.15
Comm. Services	143.84	-1.42	-4.33	-20.81
Cons. Disc.	753.09	-4.69	-5.05	-23.64
Cons. Staples	569.07	3.46	1.56	-12.04
Energy	229.26	5.38	2.62	-49.77
Financial Svcs.	325.95	-6.78	-5.80	-36.26
Health Care	1010.87	2.04	-2.13	-14.92
Industrials	475.70	-4.48	-4.69	-30.82
Info. Tech.	1355.60	-1.98	-4.15	-15.86
Materials	267.86	-3.75	-5.43	-30.58
Real Estate	181.90	-6.15	-5.57	-24.31
Utilities	262.97	-7.11	-6.67	-19.91
MSCI EAFE*	1506.66	-2.52	-3.44	-25.48
MSCI EM*	838.53	-0.39	-1.15	-24.48

* MSCI EAFE and MSCI EM values as of:
04/2/2020

- **Stocks pulled back** this week and were unable to add to historic gains from the previous week as the war against the COVID-19 pandemic wages on. Stabilization of US cases remains elusive, though evidence has emerged that the worst of Europe's crisis may have passed.
- The **S&P 500 Index** lost 2.1% for the week, but remains about 11% off the March 23 lows. Among the major indexes we track, the Nasdaq was the top performer, as growth and technology-oriented stocks resumed their outperformance.
- **Small caps** lagged **large caps** considerably, while **growth** modestly outperformed **value**. **Energy** was the top performing sector amid a more than 30% rally in oil prices, while **financials, real estate, and utilities** fell the most on the week.
- **US economic data** continued to show that the United States is firmly in a recession. Following last week's record 3 million-plus jobless claims, Thursday's report showed an additional 6.6 million people filed for unemployment for the week ending March 28. Friday's nonfarm payrolls report showed more jobs were lost as of the mid-March survey deadline than had been anticipated, with a much bigger spike to come in April unfortunately.
- **Emerging market equities** outperformed through Thursday, with the MSCI Emerging Markets Index losing 0.4%. The developed international MSCI EAFE Index's 2.5% slide was slightly larger than large cap US equities. Markets in Russia led amid the bounce in oil prices, while Japan was an outsized laggard.

FIXED INCOME, CURRENCIES, & COMMODITIES

Data as of: 04/3/20

Yield	Latest	EOW	EOQ	EOY
90 Day UST	0.10	0.03	0.11	1.55
2 Yr UST	0.22	0.25	0.23	1.58
10 Yr UST	0.60	0.72	0.70	1.92
30 Yr UST	1.22	1.29	1.35	2.39

Fixed Income*	Yield	% Return		
		WTD	QTD	YTD
US Agg	1.59	0.64	0.17	3.32
US Agg Govt.	0.55	0.54	0.48	8.72
US TIPS	0.85	1.06	1.54	3.26
Munis	2.47	-2.82	-2.47	-3.08
HY Munis	5.81	-6.16	-5.17	-11.70
Inv. Grade	3.48	1.30	-0.25	-3.88
High Yield	9.79	0.05	-1.42	-13.93
MBS	1.32	0.14	0.14	2.97
Global Agg	1.23	-0.22	-0.14	-0.47
Intl. Treasuries	0.41	-0.23	0.18	1.49
JPM EMBI	6.47	-1.51	-1.67	-10.19

Currencies & Commodities	Price	% Change		
		WTD	QTD	YTD
US Dollar	100.62	2.29	1.59	4.39
EUR/USD	1.08	-2.96	-2.04	-3.63
USD/JPY	108.45	0.48	0.88	-0.15
WTI Oil	28.77	33.75	40.48	-52.88
Gold	1649	1.47	3.28	8.26
Copper	2.19	0.62	-1.91	-21.86

*Data as of: 04/2/2020

The yield presented refers to the corresponding index except for the U.S. Treasury (UST) data, which is of individual Treasury note securities and not an index. The Currency and Commodity data presented are quotes of the exchange rate. This data is from FactSet.

- Fixed income** indexes we track had mixed results as financial markets continue to digest the true burden of COVID-19 on the US and world economies. The **US Treasury** yield curve shifted down and flattened slightly as 10-year US Treasury yields ended the week down 12 basis points (.12%) at 0.60%, nearing record lows from early March. Investment-grade corporate bonds performed best among the indexes we track. High-yield municipal bonds and municipal bonds were the worst weekly performers as market concerns grew over the effects of COVID-19-related shutdowns on municipal revenues.
- Oil prices** rebounded more than 30%, breaking a five-week down streak, as OPEC and Russia agreed to meet next week, raising hopes for a truce in their oil price war. The **US dollar** had a big weekly gain as investors sought the safe-haven status of the greenback even over other risk-off currencies such as the **Japanese yen** and **Swiss franc**. **Gold** and **copper** both moved higher during the week.
- Next week's **US economic calendar** will unfortunately feature another very large jobless claims number on Thursday, partly due to operational challenges filers have been facing. Other data of note for next week includes producer inflation and University of Michigan consumer confidence on Thursday, and consumer inflation on Friday.
- Internationally**, investors will digest inflation data and money supply from China and consumer confidence and producer inflation data from Japan.

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For a list of descriptions of the indexes referenced in this publication, please visit our website at lplresearch.com/definitions.

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