



# Monthly Market Review

## U.S. Equity

- Domestic equity markets, as represented by the S&P 500 Index (S&P), returned 5.34% in April, its best monthly gain since its nearly 11% rise in November 2020.
- Within the S&P, all 11 sectors posted positive returns. Real Estate did best, returning 8.29%. Telecom followed, returning 7.85%. The Energy sector was the worst performer of the month and returned 0.59%.
- By market capitalization, small-caps (Russell 2000) returned 2.10%, large-caps (Russell 1000 Index) returned 5.38%, and mid-caps (Russell Mid Cap Index) returned 5.10%. Growth stocks outperformed value stocks across all capitalizations.

## Non-U.S. Equity

- Non-U.S. equity markets, represented by the MSCI ACWI ex-U.S., ended the month up 2.94%. Developed markets, represented by the MSCI EAFE Index, returned 3.01%, while emerging markets (EM), represented by the MSCI Emerging Markets Index, returned 2.49% in April.
- Within the ACWI ex-U.S. Index, all 11 sectors posted positive returns. Materials did best, returning 6.22%, followed by Info Tech, returning 4.90%. The Energy sector was the worst performer, returning 0.09%.
- Within the ACWI ex-U.S. Index, North America performed best during the month, returning 5.37%. Japan was the worst-performing region during the month, returning -1.52%.

## Fixed Income

- In April, rates reversed course further out the curve and slightly declined. The Bloomberg Barclays U.S. Aggregate Index (Aggregate) gained 0.74%. The 10- and 30-year Treasury rates both decreased 11 basis points (bps), leading to the broad treasury index gaining 0.75%. Credit spreads generally tightened across the board. Investment-grade (IG) corporates gained 1.06%. Agency CMBS (1.02%) and EM sovereign debt (1.47%) also rebounded off a poor first quarter. Meanwhile, high-yield corporates continued to have positive results and rose 1.09%.
- Within the IG credit spectrum, AAA-rated bonds returned 0.57%, AA-rated bonds returned 1.19%, A-rated bonds returned 1.08%, and BBB-rated bonds returned 1.10%.
- Yields slightly fell across the U.S. Treasury yield curve during the month of April.

## Alternatives and Other Asset Classes

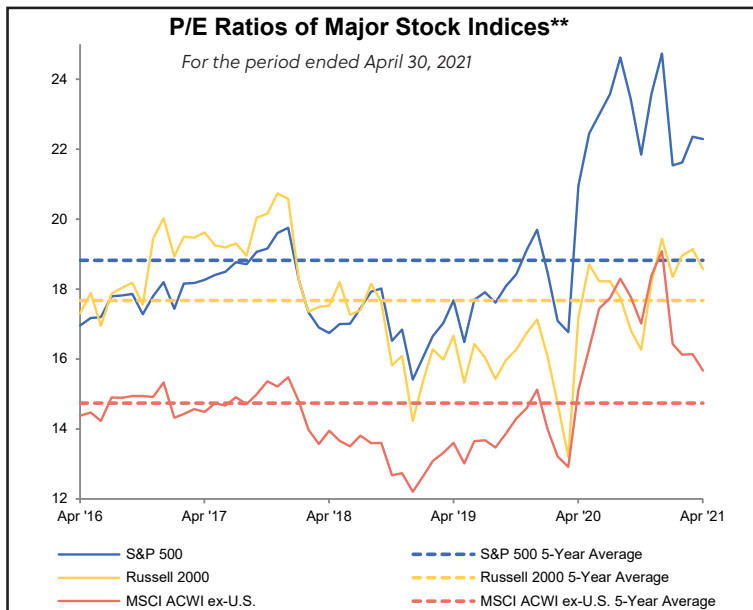
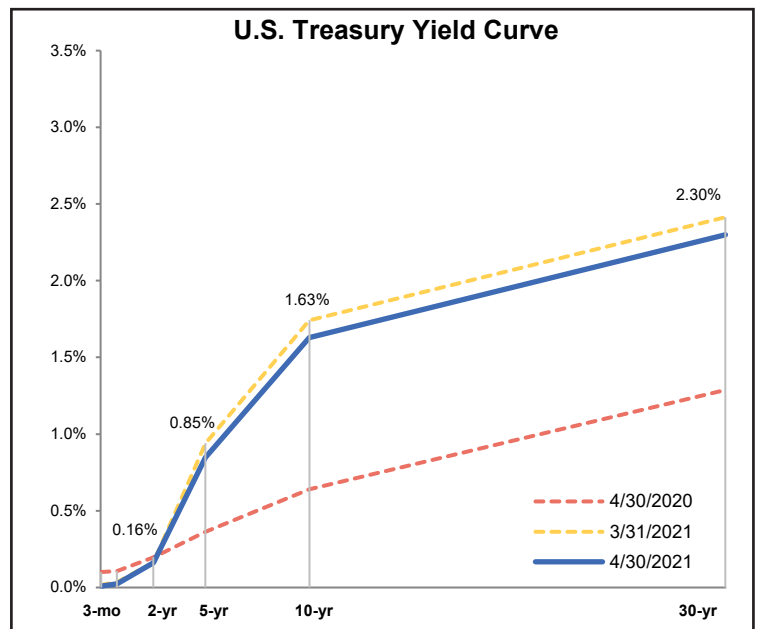
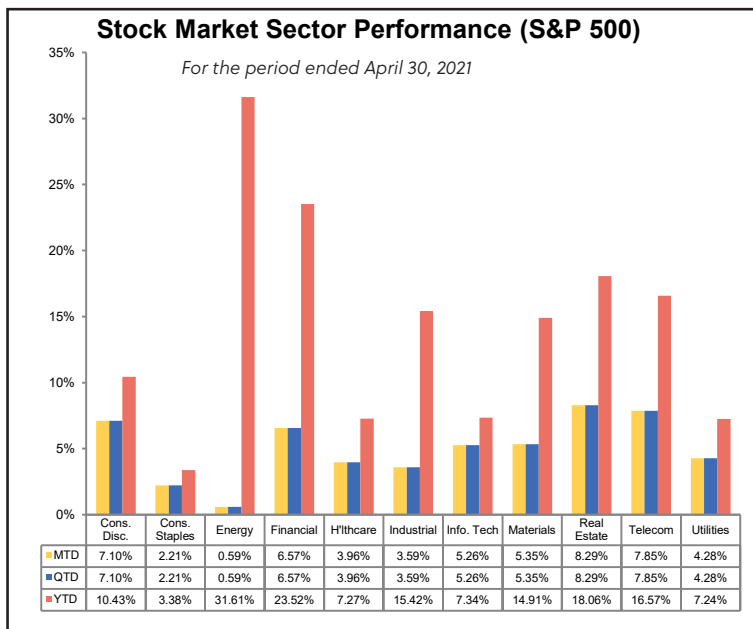
- Real estate investment trusts (REITs) represented by the FTSE NAREIT Index rose 8.06% in April. Performance was positive in all nine real estate sectors. Self-storage did best, returning 13.19%. The worst performing REIT sector of the month was Lodging/Resorts, returning 4.49%.
- The active contract for West Texas Intermediate (WTI) crude increased to \$63.58/barrel in April from \$59.16/barrel at the end of March. Refiners ramped up activity to the highest in over a year in anticipation of rising fuel demand in the world's top oil consumer.

## Items to Watch

- The explosion of COVID-19 cases in India and other developing nations adds momentum to push for the suspension of intellectual property restrictions on vaccines, putting pressure on the U.S. and other Western governments and pharmaceutical companies to do more to address the crisis. Some 60 developing countries, led by India and South Africa, are drafting a new proposal to waive the World Trade Organization's intellectual property rules — something they say would allow a significant increase in vaccine production worldwide.
- Economic activity boomed in early 2021, as widespread vaccinations and more fuel from government spending helped get the U.S. closer to where it was before the COVID-19 pandemic struck. Gross domestic product (GDP) jumped 6.4% for the first quarter of the year on an annualized basis. Outside of the reopening-fueled third-quarter surge last year, it was the best performance for GDP since the third quarter of 2003.
- Hiring was a huge letdown in April. Non-farm payrolls increased by a much less than expected 266,000, and the unemployment rate rose to 6.1% amid an escalating shortage of available workers. Dow Jones estimates had called for one million new jobs and an unemployment rate of 5.8%.
- The Federal Reserve (Fed) held its key interest rate near zero at its latest meeting. The Fed said it plans to continue supporting the economic recovery while acknowledging recent progress in growth and employment. The Fed has held overnight interest rates near zero since March 2020. A step toward ending the bond-buying program would ultimately be a step toward raising interest rates, which the Fed is not expected to do any time soon. Fed Chair Jerome Powell has said the Fed would complete the slow wind-down of its bond purchases before raising interest rates.

Total Return of Major Indices as of 04/30/21				
Domestic Equity	MTD	QTD	YTD	1 YR
S&P 500	5.34%	5.34%	11.83%	45.96%
Russell 3000	5.15%	5.15%	11.82%	50.90%
Russell 2000	2.10%	2.10%	15.06%	74.88%
Russell 1000	5.38%	5.38%	11.60%	49.46%
International Equity	MTD	QTD	YTD	1 YR
MSCI ACWI ex-U.S.	2.94%	2.94%	6.54%	42.98%
MSCI EAFE	3.01%	3.01%	6.59%	39.88%
MSCI Emerging Markets	2.49%	2.49%	4.83%	48.71%
Fixed Income	MTD	QTD	YTD	1 YR
Bloomberg Barclays U.S. Agg	0.79%	0.79%	-2.61%	-0.27%
Bloomberg Barclays Global Agg	1.26%	1.26%	-3.25%	3.95%
Bloomberg Barclays U.S. HY	1.09%	1.09%	1.95%	19.67%
Alternatives	MTD	QTD	YTD	1 YR
FTSE NAREIT Equity	8.06%	8.06%	17.64%	37.47%
Bloomberg Commodity	8.29%	8.29%	15.77%	48.38%

Economic Indicators		
Domestic	Current	Previous Month
Unemployment Rate (%)	6.1%	6.0%
Initial Jobless Claims (4 week average)	560 K	621 K
CB Leading Economic Indicators	1.3	-0.1
Capacity Utilization	74.4%	73.4%
GDP (annual growth rate)	6.4%	4.3%
University of Michigan Consumer Confidence	88.3	84.9
New Home Starts	1021 K	846 K
Existing Home Sales	6 MM	6.2 MM
Retail Sales (YoY)	19.6%	5.7%
U.S. Durable Goods (MoM)	0.8%	-0.9%
Consumer Price Index (YoY)	2.6%	1.7%
Producer Price Index (MoM)	1.3%	1.5%
Developed International*	12/31/2020	9/30/2020
Market GDP (annual rate)	-2.3%	-0.5%
Market Unemployment	7.6%	7.9%



Source: Bloomberg. Data as of April 30, 2021, unless otherwise noted.  
 \*Developed market data is calculated with respect to the weightings in the MSCI World ex-U.S. Index. Most current data is as of December 31, 2020 due to release dates of numerous countries.  
 \*\*P/E ratios are calculated based on one-year-forward estimates and adjusted to include only positive earning results for consistency.

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