

Weekly Investment Update

August 23, 2021

Global equity markets, in general, fell last week as concerns about central banks potentially easing support measures in the near future intensified¹. Investors may get a better sense of the Federal Reserve’s tapering timeline later this week when the annual Jackson Hole symposium begins on Thursday. The S&P 500 index (a proxy for large-cap US stocks) fell 0.6% while the MSCI ACWI index (a proxy for global large-cap stocks) fell even more, retreating 1.8% during the week.

Emerging market equities were one of the worst performing equity asset classes, falling 4.6% during the week. After performing well to begin 2021, emerging market stocks (represented by the MSCI Emerging Markets Index below) began lagging the S&P 500 and MSCI ACWI in late Q1 and are now in negative territory for the year.



There are many contributing factors to the recent underperformance, including geopolitical tensions escalating between the US and China, the resurgence of Covid-19 concerns related to the Delta variant, the Taliban taking control of Afghanistan, and Chinese authorities cracking down on technology companies. We will be watching developments closely to see if the correction provides attractive investment opportunities for clients.

¹ [Stock Market Today: Dow, S&P Live Updates for Aug. 20, 2021 - Bloomberg](#)

Prices & Interest Rates

Representative Index	Current	Year-End 2020
Crude Oil (US WTI)	\$61.86	\$48.52
Gold	\$1,780	\$1,893
US Dollar	93.46	89.94
2 Year Treasury	0.23%	0.13%
10 Year Treasury	1.26%	0.93%
30 Year Treasury	1.87%	1.65%

Source: Morningstar, YCharts, and US Treasury as of August 21, 2021

Asset Class Returns

Category	Representative Index	YTD 2021	Full Year 2020
Global Equity	MSCI All-Country World	13.0%	16.3%
US Large Cap Equity	S&P 500	19.4%	18.4%
US Large Cap Equity	Dow Jones Industrial Average	16.1%	9.7%
US Small Cap Equity	Russell 2000	10.4%	20.0%
Foreign Developed Equity	MSCI EAFE	9.2%	7.8%
Emerging Market Equity	MSCI Emerging Markets	-4.1%	18.3%
US Fixed Income	Bloomberg Barclays Municipal Bond	1.6%	5.2%
US Fixed Income	Bloomberg Barclays US Agg Bond	-0.7%	7.5%
Global Fixed Income	Bloomberg Barclays Global Agg. Bond	-2.5%	9.2%

Source: YCharts as of August 21, 2021

Past performance may not be representative of future results. All investments are subject to loss. Forecasts regarding the market or economy are subject to a wide range of possible outcomes. The views presented in this market update may prove to be inaccurate for a variety of factors. These views are as of the date listed above and are subject to change based on changes in fundamental economic or market-related data. Please contact your Financial Advisor in order to complete an updated risk assessment to ensure that your investment allocation is appropriate.