

The Economy

- U.S. equities recorded positive performance during the week ending April 30, largely due to strong corporate earnings and better-than-expected economic data. The S&P 500 Index (a broad measure of equity markets) set another record during the week.
- Consumer confidence surged from a one-year high of 109.7 in March to a 14-month high of 121.7 in April on optimism about the job market and more fiscal stimulus, according to the Conference Board. The persistent recovery in confidence is a favorable indicator for anticipated consumer spending in the coming months as consumers return to restaurants, traveling and stores. The reading also indicated expectations that business conditions and the public health situation will improve in the near term.
- U.S. economic growth (as measured by gross domestic product) improved to a robust annualized rate of 6.4% in the first quarter of 2021. Consumer spending (which accounts for approximately 68% of the economy) spiked by 10.7% during the period. Spending was fueled by government stimulus payments and the rising number of vaccinations. Improved spending buoyed restaurants, hotels and airlines. The sturdy gain in economic growth suggests that the economy started the New Year on the right foot.
- Demand for durable-goods orders rebounded by 0.5% in March after unexpectedly falling for the first time in 10 months during February. New orders for core capital goods, a closely watched proxy for business investment, advanced by 0.9% in March. The larger story shows strength in the manufacturing sector and that orders will likely benefit from a springtime rebound in consumer spending.
- Personal incomes swelled by a larger-than-expected 21.1% in March amid fiscal stimulus measures. Stimulus payments included in the recent fiscal package propelled spending.
- The U.S. housing market remained solid in February, growing by 1.2% for the month and by 11.9% year over year, as measured by the S&P CoreLogic Case-Schiller Home Price Index. Near-record-low mortgage rates have increased purchasing power for homebuyers.
- The stubbornly high rate of initial jobless claims dropped by 13,000 to 553,000 during the week ending April 24. Other recent measures have also shown labor-market improvement: U.S. employers added 916,000 jobs in March, pushing the unemployment rate down from 6.2% to 6.0%.
- Mortgage-purchase applications receded by 5.0% for the week ending April 23. In the same period, refinancing applications fell by 1.0% and the average interest rate on a 30-year fixed-rate mortgage inched higher, from 2.97% to 2.98%. Lower mortgage rates have bolstered the refinancing market in recent weeks.
- Industrial production in Japan improved by 2.2% in March, driven by a recovery in production after an earthquake in February and solid demand for cars and chemical products.

Stocks

- Global equity markets closed higher for the week. Emerging markets led developed markets.
- U.S. equities were in positive territory. Energy and telecommunications were the top performers, while information technology and health care lagged. Value stocks led growth, and large caps beat small caps.

Bonds

- The 10-year Treasury bond yield moved higher to 1.63%. Global bond markets were in negative territory this week. High-yield bonds led, followed by global corporate bonds and global government bonds.

The Numbers as of April 30, 2021	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI (\$)	0.6%	9.6%	44.7%	708.1
MSCI EAFE (\$)	0.2%	6.7%	38.3%	2291.9
MSCI Emerging Mkts (\$)	0.9%	5.7%	47.5%	1364.5
U.S. & Canadian Equities				
Dow Jones Industrials (\$)	-0.5%	10.7%	39.1%	33869.0
S&P 500 (\$)	0.1%	11.4%	43.7%	4185.6
NASDAQ (\$)	-0.4%	8.3%	57.1%	13961.2
S&P/TSX Composite (C\$)	0.2%	9.8%	29.5%	19143.5
U.K. & European Equities				
FTSE All-Share (£)	0.5%	8.4%	22.1%	3983.9
MSCI Europe ex UK (€)	-0.3%	10.0%	31.8%	1576.3
Asian Equities				
Topix (¥)	-0.9%	5.2%	29.7%	1898.2
Hong Kong Hang Seng (\$)	-1.2%	5.5%	16.6%	28724.9
MSCI Asia Pac. Ex-Japan (\$)	0.9%	6.5%	47.2%	705.0
Latin American Equities				
MSCI EMF Latin America (\$)	0.6%	-0.8%	45.6%	2432.7
Mexican Bolsa (peso)	-1.8%	9.4%	32.1%	48190.7
Brazilian Bovespa (real)	-1.1%	0.1%	48.0%	119165.8
Commodities (\$)				
West Texas Intermediate Spot	2.3%	31.0%	237.5%	63.6
Gold Spot Price	-0.5%	-6.7%	4.8%	1767.9
Global Bond Indexes (\$)				
Barclays Global Aggregate (\$)	-0.1%	-3.1%	4.2%	541.7
JPMorgan Emerging Mkt Bond	-0.4%	-3.1%	13.8%	904.7
10-Year Yield Change (basis points*)				
US Treasury	7	72	99	1.63%
UK Gilt	10	65	61	0.84%
German Bund	6	37	39	-0.20%
Japan Govt Bond	3	8	13	0.10%
Canada Govt Bond	3	87	100	1.55%
Currency Returns**				
US\$ per euro	-0.6%	-1.6%	9.7%	1.202
Yen per US\$	1.3%	5.9%	2.0%	109.33
US\$ per £	-0.5%	1.0%	9.7%	1.381
C\$ per US\$	-1.5%	-3.4%	-11.9%	1.229

Source: Bloomberg. Equity-index returns are price only, others are total return. *100 basis points = 1 percentage point. **Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

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