

# WEEKLY UPDATE

JUNE 21, 2021

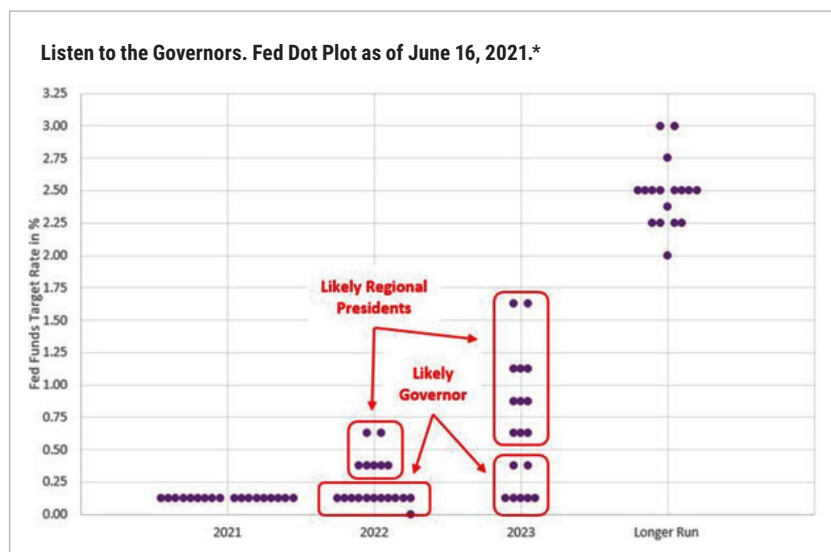
CARY STREET PARTNERS

## MARKET UPDATE AND COMMENTS

Equity prices moved lower last week, rotating from cyclical leaders to technology and other growth-oriented names. For the week, the S&P 500 Index dropped 1.87%.<sup>1</sup> Illustrating the short-term growth leadership, the Russell 1000 Growth Index was up .47%<sup>1</sup> and the Russell 1000 Value Index was down 4.09%<sup>1</sup> for the week. We have seen a number of these short-term tech-led rallies over the last six months, within the broader market trend of cyclical leadership. This is a good reminder that relative emphasis should always be expressed within the context of a diversified portfolio. Think of this as tilts in exposure, not one-way bets. Many of the market leaders in the cyclical sector over the last 6-12 months are now in short-term oversold conditions, while most are still in longer-term broad relative and absolute uptrends. It would be unusual for the first oversold condition in sectors such as materials, to be a complete trend reversal. Thus, recent weakness in these cyclical names can be viewed as more of a buying opportunity than the time for re-positioning. Again—we emphasize—within the context of a diversified portfolio.

## ECONOMIC NEWS

The economic story of last week began and ended with the two-day Federal Reserve meeting that concluded with Jay Powell's press conference on Wednesday. The short summary of that meeting is that the Fed has moved up its potential timeline for tapering the monthly bond purchase program and rate hikes in reaction to recent inflation data. Not shocking to us, as we expect them to be attentive to just that inflation mandate of 2% average inflation, but somewhat of a market surprise as it does connote the beginning of a shift. The two-year Treasury yield and mortgage rates moved higher in response, not surprising as those are the fixed income rates with the most room to move higher. The 10-year Treasury yield has lifted off oversold (overbought in price) levels, the current level remains more of a pause within the context of the strong uptrend that began in January and was intense during Q1.



Source: Federal Reserve, June 16, 2021, Natixis

\*Assumptions of likely votes added in red by Natixis

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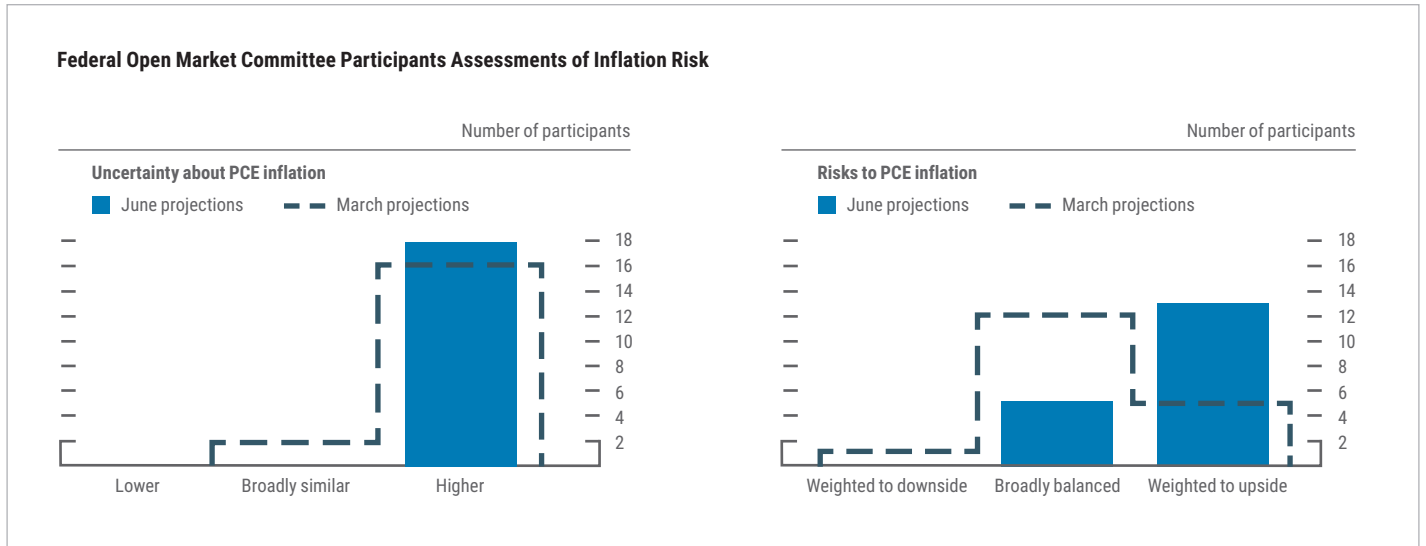
## WEEKLY BENCHMARKS

GROUP/INVESTMENT	YTD Return (Cumulative) 6.18.2021
<b>US EQUITY RETURNS</b>	
SPDR® S&P 500 ETF TRUST	11.66
ISHARES DOW JONES US ETF	11.43
ISHARES RUSSELL 1000 ETF	11.36
ISHARES RUSSELL 1000 VALUE ETF	13.76
ISHARES RUSSELL 1000 GROWTH ETF	9.07
ISHARES RUSSELL 2000 ETF	13.71
<b>GLOBAL EQUITY RETURNS</b>	
ISHARES MSCI ACWI EX US ETF	8.16
ISHARES MSCI ACWI ETF	9.82
<b>US FIXED INCOME RETURNS</b>	
ISHARES SHORT TREASURY BOND ETF	-0.03
ISHARES CORE US AGGREGATE BOND ETF	-1.63
ISHARES TIPS BOND ETF	0.77
ISHARES IBOXX \$ INVMT GRADE CORP BD ETF	-1.50
ISHARES IBOXX \$ HIGH YIELD CORP BD ETF	2.28
ISHARES MBS ETF	-1.07
<b>GLOBAL FIXED INCOME BENCHMARKS</b>	
ISHARES CORE GLOBAL AGGT BD ETF USD DIST	-3.25
<b>US FIXED INCOME MUNI RETURNS</b>	
ISHARES NATIONAL MUNI BOND ETF	0.92
<b>REAL ASSETS</b>	
ISHARES GOLD TRUST	-6.35
SPDR® DOW JONES GLOBAL REAL ESTATE ETF	16.90

Source: Morningstar

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Source: Federal Reserve, Natixis

<sup>1</sup> Marketwatch

#### Past performance is no guarantee of future results.

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