



JPMORGAN ASSET MANAGEMENT

Weekly Market Recap
September 28, 2020

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MARKET INSIGHTS

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The week in review

- Durable goods orders 0.4%

The week ahead

- Cons. confidence & sentiment
- Markit/ISM mfg. PMIs
- Personal income
- Employment report

Thought of the week

The sudden need for social distancing in response to the pandemic has accelerated longer-term trends in commercial real estate: stores closed, warehouses rapidly processed inventory as online shopping increased, employees began working from home and many Americans struggled to pay rent after historic job losses. Yet, rent collections in many REIT sectors remained stable. Despite remote working, office rent collections remained strong, and have modestly improved since April. Office contracts are often long term, and as employees slowly come back to work, having ample office space is necessary to maintain social distancing. Collections on apartments also remained surprisingly strong, but could see pressure ahead with the expiration of eviction freezes and extra unemployment benefits. Retail was the hardest hit property sector, with collections falling to 73% for free standing stores, and just 50% for shopping centers in April. However, both of these areas rebounded, with collection rates of 91% and 80%, respectively, in August. Industrial real estate fared the best, with collections barely budging, as warehouses processed shipments from increased online orders. Going forward, we anticipate many of these trends, like the shift from brick-and-mortar retail to e-commerce and the rise of telecommuting, will continue. This underscores our sector preferences in REITs for industrial property, including warehousing, and data centers over more pandemic-vulnerable areas like retail, office and lodging.

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WEEKLY DATA CENTER

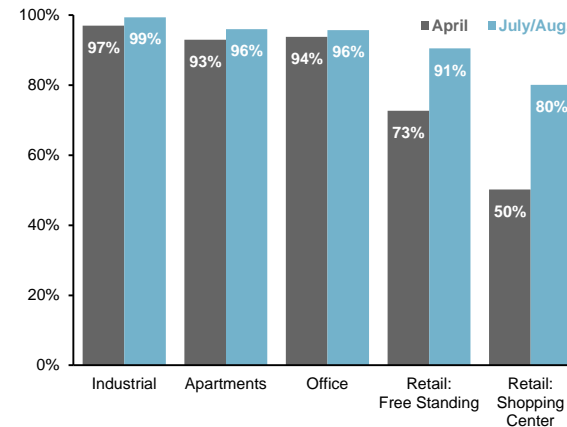
Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	3298	-0.61	6.82	3.53	12.64	40.12
Dow Jones 30	27174	-1.75	5.85	-3.07	3.18	30.75
Russell 2000	3666	-4.01	2.61	-10.71	-3.49	5.90
Russell 1000 Growth	1412	1.41	10.70	21.56	33.91	78.63
Russell 1000 Value	709.36	-2.75	3.84	-13.05	-6.77	6.82
MSCI EAFE	1831	-4.21	3.27	-8.15	-0.39	2.16
MSCI EM	1059	-4.42	7.33	-3.04	8.09	5.67
NASDAQ	10914	1.12	8.70	22.48	36.43	76.75

Fixed Income	Yield	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	1.19	-0.09	0.66	6.83	7.43	16.24
U.S. Corporates	2.07	-0.69	1.49	6.59	8.36	20.13
Municipals (10yr)	1.13	0.00	1.32	3.82	4.64	13.56
High Yield	6.27	-1.53	3.84	-0.11	2.33	12.57

Key Rates	Levels (%)					
	9/25/20	9/18/20	6/30/20	12/31/19	9/25/19	9/25/17
2-yr U.S. Treasuries	0.12	0.14	0.16	1.58	1.68	1.44
10-yr U.S. Treasuries	0.66	0.70	0.66	1.92	1.73	2.22
30-yr U.S. Treasuries	1.40	1.45	1.41	2.39	2.18	2.76
10-yr German Bund	-0.53	-0.49	-0.48	-0.19	-0.60	0.41
3-mo. LIBOR	0.22	0.23	0.30	1.91	2.10	1.33
3-mo. EURIBOR	-0.50	-0.50	-0.42	-0.38	-0.41	-0.33
6-mo. CD rate	0.31	0.31	0.35	0.79	0.93	0.44
30-yr fixed mortgage	3.10	3.10	3.29	3.95	4.02	4.11
Prime Rate	3.25	3.25	3.25	4.75	5.00	4.25

CHART OF THE WEEK

REIT rent collections



STYLE RETURNS

	V	B	G
L	-2.8	-0.6	1.4
M	-3.0	-1.5	1.3
S	-5.7	-4.0	-2.5

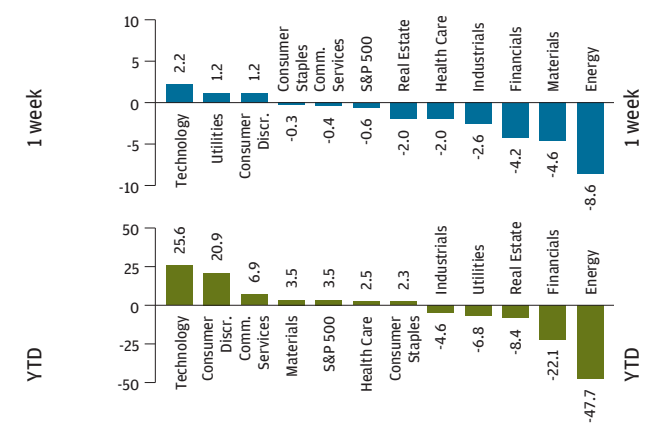
	V	B	G
L	-13.0	3.5	21.6
M	-14.3	-4.1	11.4
S	-23.4	-10.7	1.7

Index Characteristics	Index Characteristics			
	NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
	21.19	3.51	1.78	58.91
	19.95	4.13	2.35	287.42
	36.71	1.78	1.67	1.09
	29.87	9.90	0.81	50.05
	17.03	2.01	2.69	26.34
	17.22	1.49	2.63	20.06
	14.53	1.62	2.28	15.84
	31.82	5.30	0.81	6.63

Currencies	Levels		
	9/25/20	12/31/19	9/25/19
\$ per €	1.16	1.12	1.10
\$ per £	1.27	1.32	1.24
¥ per \$	105.64	108.68	107.72

Commodities	Levels		
	9/25/20	12/31/19	9/25/19
Oil (WTI)	40.22	61.14	56.38
Gasoline	2.17	2.57	2.65
Natural Gas	2.15	2.09	2.54
Gold	1860	1515	1529
Silver	22.63	18.05	18.57
Copper	6529	6156	5719
Corn	3.34	3.77	3.81
BBG Idx	150.87	172.00	167.07

S&P 500 SECTOR RETURNS



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Chart of the Week: Source: NAREIT, J.P. Morgan Asset Management. Equity market capitalization weighted. NAREIT survey of members, public disclosures, and FTSE NAREIT all REIT index equity market capitalization via FactSet. Apartments, free standing retail, and shopping centers as of August. The survey participants represent 72% of the FTSE All REITs total equity market capitalization for the three covered property sectors (apartments, free standing retail, and shopping centers). Industrial and office as of July.

Thought of the week: Source: NAREIT, J.P. Morgan Asset Management. Equity market capitalization weighted. NAREIT survey of members, public disclosures, and FTSE NAREIT all REIT index equity market capitalization via FactSet. Apartments, free standing retail, and shopping centers as of August. The survey participants represent 72% of the FTSE All REITs total equity market capitalization for the three covered property sectors (apartments, free standing retail, and shopping centers). Industrial and office as of July.

Abbreviations: Cons. Sent.: University of Michigan Consumer Sentiment Index; CPI: Consumer Price Index; EIA: Energy Information Agency; FHFA HPI: - Federal Housing Finance Authority House Price Index; FOMC: Federal Open Market Committee; GDP: gross domestic product; HPI: Home Price Index; HMI: Housing Market Index; ISM Mfg. Index: Institute for Supply Management Manufacturing Index; PCE: Personal consumption expenditures; Philly Fed Survey; Philadelphia Fed Business Outlook Survey; PMI: Purchasing Managers' Manufacturing Index; PPI: Producer Price Index; SAAR: Seasonally Adjusted Annual Rate

Equity Price Levels and Returns: All returns represent total return for stated period. Index: S&P 500; provided by: Standard & Poor's. Index: Dow Jones Industrial 30 (The Dow Jones is a price-weighted index composing of 30 widely-traded blue chip stocks.); provided by: S&P Dow Jones Indices LLC. Index: Russell 2000; provided by: Russell Investments. Index: Russell 1000 Growth; provided by: Russell Investments. Index: Russell 1000 Value; provided by: Russell Investments. Index: MSCI - EAFE; provided by: MSCI - gross official pricing. Index: MSCI - EM; provided by: MSCI - gross official pricing. Index: Nasdaq Composite; provided by: NASDAQ OMX Group.

MSCI EAFE is a Morgan Stanley Capital International Index that is designed to measure the performance of the developed stock markets of Europe, Australasia, and the Far East.

Bond Returns: All returns represent total return. Index: Barclays US Aggregate; provided by: Barclays Capital. Index: Barclays Investment Grade Credit; provided by: Barclays Capital. Index: Barclays Municipal Bond 10 Yr; provided by: Barclays Capital. Index: Barclays Capital High Yield Index; provided by: Barclays Capital.

Key Interest Rates: 2 Year Treasury, FactSet; 10 Year Treasury, FactSet; 30 Year Treasury, FactSet; 10 Year German Bund, FactSet. 3 Month LIBOR, British Bankers' Association; 3 Month EURIBOR, European Banking Federation; 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, FactSet; Crude Oil (WTI), FactSet; Gasoline, FactSet; Natural Gas, FactSet; Silver, FactSet; Copper, FactSet; Corn, FactSet. Bloomberg Commodity Index (BBG Idx), Bloomberg Finance L.P.

Currency: Dollar per Pound, FactSet; Dollar per Euro, FactSet; Yen per Dollar, FactSet.

S&P Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Standard & Poor's.

MSCI Index Characteristics: Dividend yield provided by FactSet Pricing database. Fwd. P/E is a bottom-up weighted harmonic average for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from MSCI and Price information from FactSet's Pricing database as provided by MSCI.

Russell 1000 Value Index, Russell 1000 Growth Index, and Russell 2000 Index Characteristics: Trailing P/E is provided directly by Russell. Fwd. P/E is a bottom-up weighted harmonic average using First Call Mean estimates for the "Next 12 Months" (NTM) period. Market cap is a bottom-up weighted average based on share information from Compustat and price information from FactSet's Pricing database as provided by Russell.

Sector Returns: Sectors are based on the GICS methodology. Return data are calculated by FactSet using constituents and weights as provided by Standard & Poor's. Returns are cumulative total return for stated period, including reinvestment of dividends.

Style Returns: Style box returns based on Russell Indexes with the exception of the Large-Cap Blend box, which reflects the S&P 500 Index. All values are cumulative total return for stated period including the reinvestment of dividends. The Index used from L to R, top to bottom are: Russell 1000 Value Index (Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values), S&P 500 Index (Index represents the 500 Large Cap portion of the stock market, and is comprised of 500 stocks as selected by the S&P Index Committee), Russell 1000 Growth Index (Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values), Russell Mid Cap Value Index (Measures the performance of those Russell Mid Cap

companies with lower price-to-book ratios and lower forecasted growth values), Russell Mid Cap Index (The Russell Midcap Index includes the smallest 800 securities in the Russell 1000), Russell Mid Cap Growth Index (Measures the performance of those Russell Mid Cap companies with higher price-to-book ratios and higher forecasted growth values), Russell 2000 Value Index (Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values), Russell 2000 Index (The Russell 2000 includes the smallest 2000 securities in the Russell 3000), Russell 2000 Growth Index (Measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values).

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Unless otherwise stated, all data is as of September 28, 2020 or as of most recently available.

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