



JPMORGAN ASSET MANAGEMENT

Weekly Market Recap

June 1, 2020

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MARKET INSIGHTS

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U.S. | June 1, 2020

The week in review

- Consumer conf./sentim. at 86.6/72.3
- New home sales at 623k
- Jobless claims at 2,123k
- 1Q20 GDP at -5.0% q/q saar (2nd)
- Headline/Core PCE at 0.5%/1.0% y/y

The week ahead

- Markit/ISM mfg. and non-mfg. PMI
- Employment
- International trade

Thought of the week

Recently, a new round of U.S.-China disputes, focused on financial flows, technology and human rights, has raised concerns about a re-emergence of tensions between the two countries. The U.S. administration has taken steps such as pressuring a federal pension fund not to invest in Chinese equities and imposing further restrictions on companies doing business with Huawei. Most recently, the U.S. Senate passed the Holding Foreign Companies Accountable Act, which would require U.S.-listed foreign firms to provide audit details and certify that they are not government-owned or controlled. As for China, it approved a national security law in Hong Kong, triggering new street protests and the announcement that the U.S. administration intends to remove its special treatment. As a result of the re-escalation of U.S.-China tensions, downside risks for emerging markets have increased. However, investors should recognize that the economic and political competition between the two countries will be one of the defining themes of this century. Indeed, we expect that the size of the Chinese economy will eclipse that of the U.S. by the mid 2030s, as shown in this week's chart. Moreover, the rising tensions will increase China's desire for self-sufficiency. For investors who want to take advantage of strong long-run Chinese growth, it will be even more important to participate in Chinese domestic companies and not only in global multinationals.

Please see important disclosure on next page.

WEEKLY DATA CENTER

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	3044	3.04	18.19	-4.97	11.62	33.77
Dow Jones 30	25383	3.85	16.40	-10.06	3.59	29.32
Russell 2000	3465	2.87	21.14	-15.95	-5.00	5.17
Russell 1000 Growth	1226	2.15	22.50	5.23	25.17	61.17
Russell 1000 Value	693.11	4.42	15.05	-15.70	-2.86	7.59
MSCI EAFE	1725	5.11	11.25	-14.03	-2.95	0.64
MSCI EM	930.35	2.87	10.04	-15.90	-2.76	-0.46
NASDAQ	9490	1.79	23.45	6.22	27.08	57.76

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	1.36	0.23	2.25	5.47	9.99	16.32
U.S. Corporates	2.43	0.73	6.89	3.00	10.71	18.74
Municipals (10yr)	1.41	0.23	2.22	1.82	4.64	12.91
High Yield	7.27	1.80	9.11	-4.73	1.09	9.51

Key Rates	Levels (%)					
	5/29/20	5/22/20	3/31/20	12/31/19	5/29/19	5/26/17
2-yr U.S. Treasuries	0.16	0.17	0.23	1.58	2.09	1.30
10-yr U.S. Treasuries	0.65	0.66	0.70	1.92	2.25	2.25
30-yr U.S. Treasuries	1.41	1.37	1.35	2.39	2.69	2.92
10-yr German Bund	-0.45	-0.49	-0.49	-0.19	-0.15	0.37
3-mo. LIBOR	0.34	0.37	1.45	1.91	2.52	1.20
3-mo. EURIBOR	-0.31	-0.28	-0.36	-0.38	-0.32	-0.33
6-mo. CD rate	0.39	0.40	0.49	0.79	0.86	0.39
30-yr fixed mortgage	3.42	3.42	3.47	3.95	4.33	4.17
Prime Rate	3.25	3.25	3.25	4.75	5.50	4.00

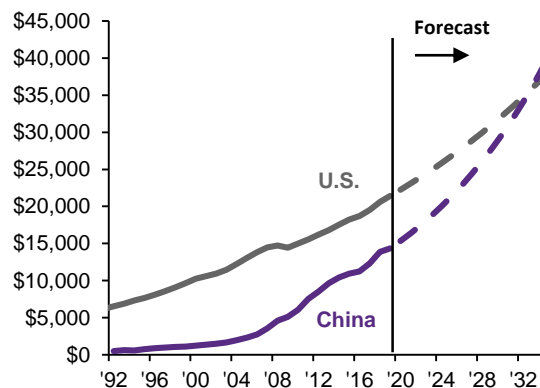
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
21.65	3.30	1.91	54.31
20.46	3.81	2.50	260.77
48.06	1.85	1.60	1.08
27.11	7.92	1.06	41.62
18.02	1.86	2.95	21.65
16.86	1.45	2.85	18.45
13.39	1.50	2.84	13.46
31.72	4.81	0.93	5.91

Currencies	Levels		
	5/29/20	12/31/19	5/29/19
\$ per €	1.11	1.12	1.11
\$ per £	1.24	1.32	1.26
¥ per \$	107.74	108.68	109.37

Commodities	Levels		
	5/29/20	12/31/19	5/29/19
Oil (WTI)	35.33	61.14	58.84
Gasoline	1.96	2.57	2.82
Natural Gas	1.84	2.09	2.69
Gold	1729	1515	1282
Silver	17.59	18.05	14.38
Copper	5333	6156	5865
Corn	3.06	3.77	3.91
BBG Idx	135.54	172.00	166.93

CHART OF THE WEEK

China's growth provides opportunities for higher returns
GDP size, billions, current prices, U.S. dollars

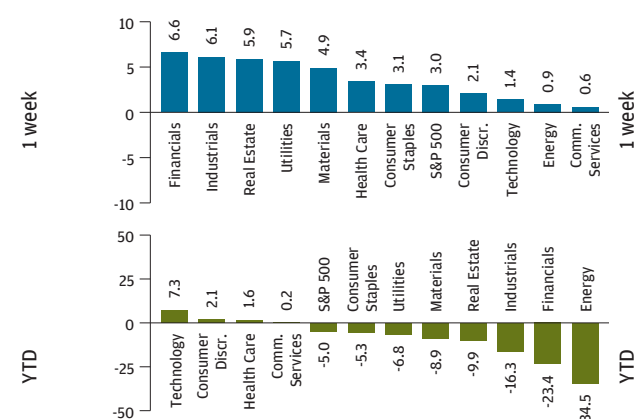


STYLE RETURNS

	V	B	G
L	4.4	3.0	2.2
M	4.9	4.3	3.6
S	4.3	2.9	1.8

	V	B	G
L	-15.7	-5.0	5.2
M	-19.0	-10.7	1.8
S	-25.6	-15.9	-6.6

S&P 500 SECTOR RETURNS



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Chart of the Week: Source: BEA, National Bureau of Statistics of China, J.P. Morgan Global Economic Research, J.P. Morgan Asset Management. GDP forecasts are based on the J.P. Morgan 2020 Long-term Capital Market Assumptions (LTCMA) estimates.

Thought of the week: Source: BEA, National Bureau of Statistics of China, J.P. Morgan Global Economic Research, J.P. Morgan Asset Management. GDP forecasts are based on the J.P. Morgan 2020 Long-term Capital Market Assumptions (LTCMA) estimates.

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 June 1, 2020 or as of most recently available.

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