



JPMORGAN ASSET MANAGEMENT

Weekly Market Recap

May 11, 2020

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MARKET INSIGHTS

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The week in review

- Markit non-mfg. PMI at 26.7
- ISM non-mfg. PMI at 41.8

The week ahead

- CPI
- PPI
- Retail sales
- Industrial production
- JOLTS

Thought of the week

The April employment report carved out the left-hand side of a U-shaped recession in brutal fashion. Nonfarm payrolls fell by 20.5 million and the unemployment rate spiked to 14.7%, the highest rate on record back to January 1948. As highlighted in this week's chart, job losses were concentrated in industries directly impacted by this crisis or tied to social distancing. Leisure and hospitality had the sharpest decline of 47%, or 7.7 million jobs. While 18.1 million workers have reported they are on temporary layoff, and therefore a portion could be reemployed as the country gradually reopens, workers in industries most restricted by social distancing could also be the last to recover completely until we get a vaccine. Additionally, expanded unemployment benefits through July 31 could make unemployment a more financially viable option than going back to work for lower wage earners. The longer this downturn persists, the more companies so far only indirectly impacted by this crisis will be forced to lay off workers due to cash flow and profitability pressures. Therefore, the unemployment rate could rise over the next few months before drifting down slowly by the end of the year, but it is likely to remain in the double digits entering 2021. It may be some years before the unemployment rate falls to the historic low it set just a few months ago, but we do expect that the vast majority of the jobs lost in April should be regained within two years of a post-vaccine economic reacceleration.

WEEKLY DATA CENTER

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	2930	3.57	13.58	-8.68	3.85	29.66
Dow Jones 30	24331	2.67	11.27	-14.03	-3.87	24.37
Russell 2000	3304	5.52	15.42	-19.92	-14.30	-0.40
Russell 1000 Growth	1175	5.09	17.34	0.80	15.63	56.88
Russell 1000 Value	667.23	2.45	10.51	-19.03	-9.47	3.37
MSCI EAFE	1648	0.90	6.09	-18.01	-9.54	-2.65
MSCI EM	911.65	-0.52	7.65	-17.72	-10.61	0.62
NASDAQ	9121	6.05	18.56	2.02	16.09	54.40

Fixed Income	Yield	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	1.37	-0.33	1.33	4.52	10.20	16.18
U.S. Corporates	2.81	-1.04	3.81	0.03	8.42	16.59
Municipals (10yr)	1.82	0.76	0.03	-0.37	3.15	11.92
High Yield	8.07	0.83	5.18	-8.16	-3.29	6.44

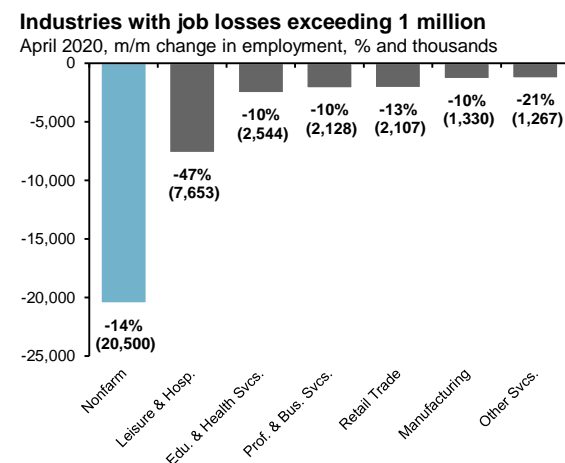
Key Rates	Levels (%)					
	5/8/20	5/1/20	3/31/20	12/31/19	5/8/19	5/8/17
2-yr U.S. Treasuries	0.16	0.20	0.23	1.58	2.30	1.33
10-yr U.S. Treasuries	0.69	0.64	0.70	1.92	2.49	2.39
30-yr U.S. Treasuries	1.39	1.27	1.35	2.39	2.89	3.02
10-yr German Bund	-0.54	-0.59	-0.49	-0.19	-0.04	0.41
3-mo. LIBOR	0.43	0.54	1.45	1.91	2.55	1.18
3-mo. EURIBOR	-0.25	-0.27	-0.36	-0.38	-0.31	-0.33
6-mo. CD rate	0.43	0.44	0.49	0.79	0.86	0.39
30-yr fixed mortgage	3.40	3.40	3.47	3.95	4.41	4.23
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)
20.78	3.24	1.99	52.24
19.87	3.76	2.61	253.95
39.05	1.80	1.68	1.02
26.14	7.78	1.11	39.81
17.11	1.83	3.05	20.68
15.62	1.43	2.99	17.61
12.96	1.50	2.85	13.32
30.08	4.70	0.96	5.66

Currencies	Levels		
	5/8/20	12/31/19	5/8/19
\$ per €	1.09	1.12	1.12
\$ per £	1.25	1.32	1.30
¥ per \$	106.43	108.68	110.18

Commodities	Levels		
	5/8/20	12/31/19	5/8/19
Oil (WTI)	24.63	61.14	62.13
Gasoline	1.79	2.57	2.90
Natural Gas	1.83	2.09	2.64
Gold	1704	1515	1285
Silver	14.98	18.05	14.93
Copper	5228	6156	6103
Corn	2.95	3.77	3.33
BBG Idx	132.94	172.00	165.89

CHART OF THE WEEK

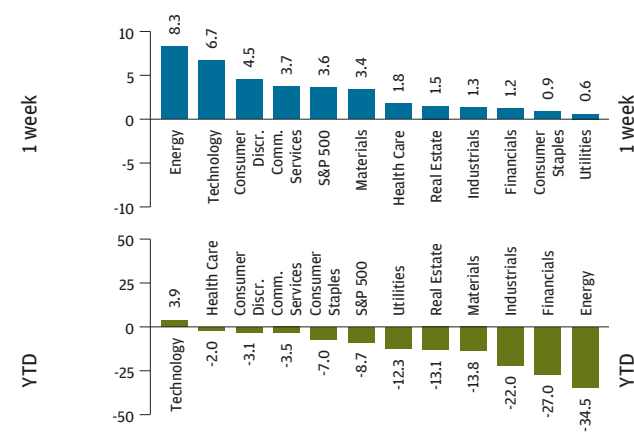


STYLE RETURNS

	V	B	G
L	2.4	3.6	5.1
M	3.5	4.8	6.5
S	3.1	5.5	7.4

	V	B	G
L	-19.0	-8.7	0.8
M	-22.7	-15.4	-4.3
S	-28.5	-19.9	-11.6

S&P 500 SECTOR RETURNS



Please see important disclosure on next page.

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Chart of the Week: Source: Bureau of Labor Statistics, J.P. Morgan Asset Management.

Thought of the week: Source: Bureau of Labor Statistics, J.P. Morgan Asset Management.

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 May 11, 2020 or as of most recently available.

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