



JPMORGAN ASSET MANAGEMENT

Weekly Market Recap

May 18, 2020

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MARKET INSIGHTS

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U.S. | May 18, 2020

The week in review

- CPI/Core CPI fell -0.8%/-0.4% m/m
- New jobless claims at 2,981K
- Retail sales fell -16.4% m/m
- Industrial production fell -11.2% m/m
- Consumer sentiment at 73.7

The week ahead

- Housing starts & existing home sales
- Flash services and mfg. PMI

Thought of the week

With “stay at home” orders across the U.S. approaching previously announced deadlines and slowly coming to an end, investors and policymakers alike hope that a reopening of the U.S. economy will mark the start of the recovery. However, while turning off the economy was as easy as flipping a light switch, reopening the economy will require the use of a dimmer, as it is a far more complex and gradual process. As this week’s chart shows, high frequency data can help measure economic activity in real time. While the data broadly shows that economic activity remains depressed and suggests that there has not been a large pick-up in economic activity following these reopenings, it is reassuring that some of these indicators have seemingly troughed, suggesting that barring a second wave of infections, the worst could be behind us. Additionally, the divergence among industries, in both the severity of declines and reopening progress, suggests not only that certain industries were hit harder than others as a result of this shutdown, but also that the reopening process will not be uniform across industries. Overall, we continue to believe that the economy is currently experiencing the steepest decline since World War II, and that growth will remain muted throughout the remainder of the year as businesses partially reopen. However, we do anticipate a surge in economic growth once a vaccine or viable treatment becomes available, which will likely be around the middle of 2021.

Please see important disclosure on next page.

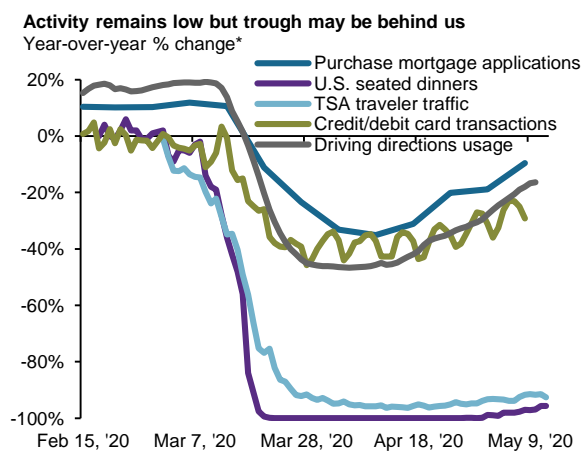
WEEKLY DATA CENTER

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	2864	-2.20	11.08	-10.69	2.47	26.53
Dow Jones 30	23685	-2.61	8.37	-16.27	-5.37	21.14
Russell 2000	3124	-5.42	9.17	-24.25	-17.57	-5.98
Russell 1000 Growth	1164	-0.93	16.25	-0.14	15.75	54.78
Russell 1000 Value	638.50	-4.21	5.86	-22.44	-12.61	-0.97
MSCI EAFE	1595	-3.16	2.73	-20.61	-11.60	-6.30
MSCI EM	901.16	-1.11	6.45	-18.64	-8.58	-3.00
NASDAQ	9015	-1.15	17.20	0.84	16.44	51.37

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	1.42	0.33	1.66	4.86	10.01	16.23
U.S. Corporates	2.74	0.69	4.52	0.72	8.73	16.78
Municipals (10yr)	1.68	0.83	0.85	0.45	3.54	12.45
High Yield	8.28	-0.67	4.47	-8.78	-3.41	5.31

Key Rates	Levels (%)					
	5/15/20	5/8/20	3/31/20	12/31/19	5/15/19	5/15/17
2-yr U.S. Treasuries	0.16	0.16	0.23	1.58	2.16	1.31
10-yr U.S. Treasuries	0.64	0.69	0.70	1.92	2.37	2.34
30-yr U.S. Treasuries	1.32	1.39	1.35	2.39	2.82	3.00
10-yr German Bund	-0.54	-0.54	-0.49	-0.19	-0.09	0.42
3-mo. LIBOR	0.38	0.43	1.45	1.91	2.53	1.18
3-mo. EURIBOR	-0.27	-0.25	-0.36	-0.38	-0.31	-0.33
6-mo. CD rate	0.43	0.43	0.49	0.79	0.86	0.39
30-yr fixed mortgage	3.43	3.43	3.47	3.95	4.40	4.23
Prime Rate	3.25	3.25	3.25	4.75	5.50	4.00

CHART OF THE WEEK



STYLE RETURNS

	V	B	G
L	-4.2	-2.2	-0.9
M	-5.8	-4.0	-1.8
S	-8.6	-5.4	-3.0

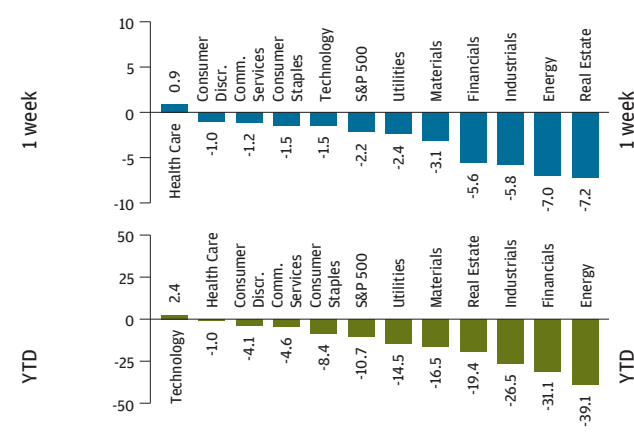
	V	B	G
L	-22.4	-10.7	-0.1
M	-27.2	-18.8	-5.9
S	-34.7	-24.3	-14.3

Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
20.42	3.22	2.03	51.13
19.27	3.72	2.68	249.88
41.74	1.78	1.76	0.97
25.88	7.76	1.12	39.36
16.52	1.80	3.20	20.05
15.48	1.41	2.99	17.07
12.90	1.49	2.85	13.20
30.10	4.70	0.98	5.59

Currencies	Levels		
	5/15/20	12/31/19	5/15/19
\$ per €	1.08	1.12	1.12
\$ per £	1.21	1.32	1.29
¥ per \$	107.31	108.68	109.49

Commodities	Levels		
	5/15/20	12/31/19	5/15/19
Oil (WTI)	29.65	61.14	62.03
Gasoline	1.85	2.57	2.87
Natural Gas	1.64	2.09	2.69
Gold	1735	1515	1299
Silver	16.25	18.05	14.82
Copper	5165	6156	6002
Corn	2.95	3.77	3.41
BBG Idx	131.54	172.00	167.34

S&P 500 SECTOR RETURNS



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Chart of the Week: Source: 1010/Exabel, Apple Inc., Mortgage Bankers Association (MBA), OpenTable, Transportation Security Administration (TSA), J.P. Morgan Asset Management. *Driving directions are compared to a baseline and are based on a 7-day moving average.

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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 18, 2020 or as of most recently available.

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