



JPMORGAN ASSET MANAGEMENT

Weekly Market Recap

July 6, 2020

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MARKET INSIGHTS

Weekly Market Recap

U.S. | July 6, 2020

The week in review

- Consumer confidence at 98.1
- Markit mfg. PMI at 49.8
- ISM mfg. PMI at 52.6

The week ahead

- Markit/ISM non-mfg. PMIs
- JOLTS
- PPI

Thought of the week

The June jobs report showed rising employment and a lower unemployment rate for the second consecutive month. Nonfarm payrolls grew by 4.8 million, with two-fifths of the additional jobs in leisure and hospitality. The unemployment rate, which rose from 3.5% in February to 14.7% in April, fell to 11.1%. Although there were fewer misclassifications than in prior reports, some remained, and without them the unemployment rate would have been 1 percentage point higher. This report was directionally very positive, but unemployment is still extraordinarily high, and the recovery is just beginning. As shown in this week's chart, nonfarm payrolls have recovered just 34% of their February to April losses. Temporary layoffs have fallen by 7.5 million, without a corresponding rise in permanent layoffs or those who dropped out of the labor force, but remain elevated on an absolute basis. Of 8.3 million people who dropped out of the labor force between February and April, largely as a result of losing their jobs during the lockdowns, about 3.1 million have rejoined the labor force, either seeking employment or rehired. This pushed the labor force participation rate up to 61.5%. Although solid progress has been made, it is likely that the pace of recovery will slow considerably or even partially reverse, as COVID cases increase and reopening plans pause. This increases the likelihood of a slower economic recovery, posing a challenge to the equity market rally.

WEEKLY DATA CENTER

Equities	Level	Index Returns (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
S&P 500	3130	1.55	0.98	-2.13	7.42	37.10
Dow Jones 30	25827	0.36	0.10	-8.34	-1.13	29.92
Russell 2000	3559	1.37	-0.65	-13.54	-6.88	5.45
Russell 1000 Growth	1301	2.32	1.80	11.79	23.76	71.53
Russell 1000 Value	688.48	0.96	0.26	-16.04	-9.19	5.84
MSCI EAFE	1808	1.62	1.55	-9.69	-3.99	5.55
MSCI EM	1023	2.16	3.03	-6.93	-1.06	10.21
NASDAQ	10208	1.93	1.49	14.35	27.19	71.63

Fixed Income	Yield	Levels (%)				
		1 week	QTD	YTD	1 year	3-yr. Cum.
U.S. Aggregate	1.26	0.31	0.12	6.26	8.70	16.97
U.S. Corporates	2.14	0.92	0.58	5.63	9.78	20.93
Municipals (10yr)	1.34	0.09	0.03	2.50	4.69	13.73
High Yield	6.86	0.05	0.73	-3.09	0.58	11.14

Key Rates	Levels (%)					
	7/2/20	6/25/20	6/30/20	12/31/19	7/2/19	6/30/17
2-yr U.S. Treasuries	0.16	0.17	0.16	1.58	1.77	1.38
10-yr U.S. Treasuries	0.68	0.68	0.66	1.92	1.98	2.31
30-yr U.S. Treasuries	1.43	1.43	1.41	2.39	2.51	2.84
10-yr German Bund	-0.43	-0.47	-0.48	-0.19	-0.35	0.47
3-mo. LIBOR	0.30	0.31	0.30	1.91	2.31	1.30
3-mo. EURIBOR	-0.43	-0.40	-0.42	-0.38	-0.35	-0.33
6-mo. CD rate	0.35	0.36	0.35	0.79	0.93	0.42
30-yr fixed mortgage	3.29	3.30	3.29	3.95	4.07	4.20
Prime Rate	3.25	3.25	3.25	4.75	5.50	4.25

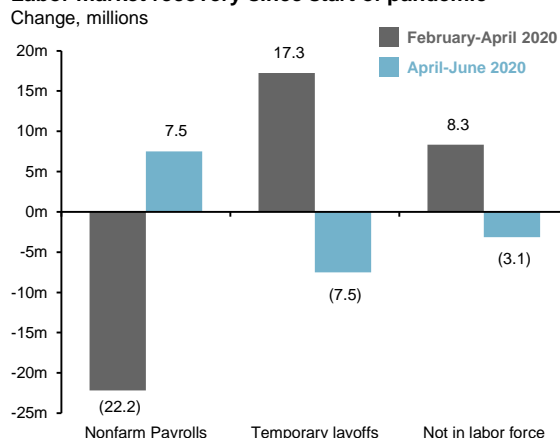
Index Characteristics			
NTM P/E	P/B	Div. Yld.	Mkt. Cap (bn)
21.88	3.37	1.86	55.90
20.32	3.83	2.46	269.33
55.11	1.75	1.79	1.04
30.30	9.10	0.86	47.43
18.08	1.94	2.75	25.60
17.99	1.49	2.80	19.77
14.88	1.58	2.56	14.92
33.44	5.01	0.85	6.35

Currencies	Levels		
	7/2/20	12/31/19	7/2/19
\$ per €	1.12	1.12	1.13
\$ per £	1.25	1.32	1.26
¥ per \$	107.53	108.68	107.77

Commodities	Levels		
	7/2/20	12/31/19	7/2/19
Oil (WTI)	40.58	61.14	56.00
Gasoline	N/A	2.57	2.71
Natural Gas	1.73	2.09	2.30
Gold	1777	1515	1391
Silver	17.93	18.05	15.17
Copper	6080	6156	5910
Corn	3.23	3.77	4.00
BBG Idx	140.04	172.00	164.51

CHART OF THE WEEK

Labor market recovery since start of pandemic

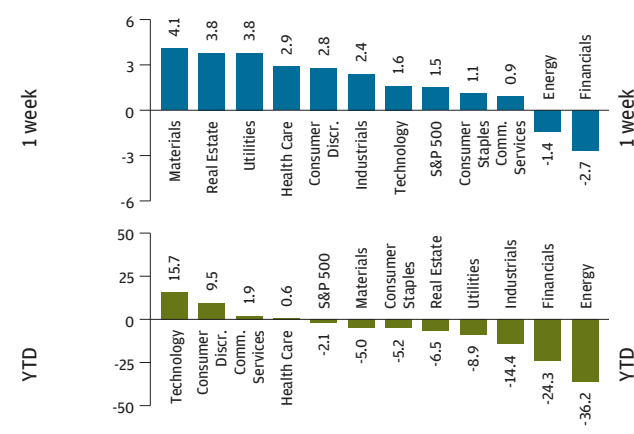


STYLE RETURNS

	V	B	G
L	1.0	1.5	2.3
M	1.4	1.8	2.4
S	1.1	1.4	1.7

	V	B	G
L	-16.0	-2.1	11.8
M	-18.0	-8.6	5.8
S	-24.9	-13.5	-2.6

S&P 500 SECTOR RETURNS



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Chart of the Week: Source: BLS, J.P. Morgan Asset Management.

Thought of the week: Source: BLS, 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 July 6, 2020 or as of most recently available.

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