

# Weekly Recap

July 12 - 16, 2021 Recap

## **Delta Variant, Inflation Weigh on Stocks**

### ***Equities Decline from Record Levels***

After finishing the prior week at all-time highs, all three major U.S. equity indices finished this past week lower. Concerns around the Delta variant resurfaced as mask mandates in parts of the country are beginning to be implemented once again. Inflation was also a concern as economic data released last week confirmed these concerns. Companies have started to release second quarter earnings, so attention may shift to these releases this week.

### ***For the Week...***

The S&P 500 fell 0.96% last week, the Dow Industrials dropped 0.52% and the tech-heavy Nasdaq Composite shed 1.87%. Mid cap stocks retreated 2.81% for the week, while the small cap-focused Russell 2000 fell 5.11%.

### ***Producer Prices Surge in June***

The producer price index (PPI) [rose 1% last month](#) (+0.6% expected) and a record 7.3% year-over-year (+6.7% expected). The PPI has risen by 0.6% or more for six straight months. The core PPI (excludes food & energy) also rose 1% (a record high) and is up 5.6% from a year ago. Last week's higher-than-expected CPI inflation report is reflective of firms passing these rising input costs to customers.

### ***Top Weekly Gainer: Utilities***

Eight of the 11 major S&P 500 sector groups posted losses last week, led to the downside by Energy (-7.69%), Consumer Discretionary (-2.63%) and materials (-2.34%). Utilities (+2.56%) rose the most, while Consumer Staples (+1.25%) and Real Estate (+0.67%) also gained.

### ***Treasury Yields Flatten***

Benchmark 10-year yields extended its streak into a fourth week falling

another 0.06% to finish the week at 1.31%. Shorter maturity Treasury yields rose as the 2-year treasury yield bumped up slightly to 0.25%. Bond investors are preparing for more inflation in the near term but seem to think it will be short-lived and are adjusting growth expectations downward further in the future. The U.S. Dollar Index strengthened by 0.60% last week. U.S. WTI crude oil futures ended 3.64% lower last week, finishing at \$71.81/barrel.

## Market Watch

Stocks	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Dow Jones Industrial Avg.	-0.52	0.54	1.42	13.33	29.77	11.44
S&P 500	-0.96	0.75	3.75	16.12	36.69	17.79
NASDAQ Composite	-1.87	-0.51	2.84	12.33	38.77	23.88
Russell 3000	-1.51	-0.18	2.65	14.91	38.72	17.54
Russell 2000	-5.11	-6.35	-4.17	10.07	49.01	10.26
MSCI EAFE	-0.46	-0.07	0.84	8.76	27.04	7.99
MSCI Emerging Markets	1.72	-2.29	0.12	4.99	30.49	10.25
Bonds	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Barclays Agg Bond	0.24	0.68	1.66	-0.94	-0.48	5.48
Barclays Municipal	0.04	0.70	1.18	1.77	3.94	5.21
Barclays US Corp High Yield	-0.15	0.25	2.07	3.88	13.33	7.35
Commodities	1-Week	MTD	3-Month	YTD	1-Year	3-Year
Bloomberg Commodity	1.00	-0.11	9.14	21.01	42.19	5.71
S&P GSCI Crude Oil	-3.64	-2.60	13.25	47.49	74.90	2.18
S&P GSCI Gold	0.38	2.68	2.19	-4.01	-0.41	13.31

Source: Morningstar