



## APRIL 2021 MARKET COMMENTARY

The first quarter has come to an end and markets were able to push higher through the quarter. The broad market as measured by the Standard and Poor's 500 Index has advanced 5.7% this year. Much like last year, market returns have been uneven. While in 2020 market returns were dominated by technology and the "stay-at-home" economy names, 2021 market returns have been concentrated in cyclical value areas of the market and "reopening" names as more and more people are vaccinated. Energy and financials have led the way so far this year followed by industrials on optimism regarding a return to travel and President Biden's agenda for rebuilding infrastructure.

Rates have continued to push higher and have added to inflation concerns. However, we remind investors that rates are rising due to improving economic data, an improved outlook on corporate profits, the rising inflation expectations (remember, some inflation is healthy), and increasingly positive data related to COVID-19 vaccinations.

When COVID19 hit we reminded clients that the economy was on very firm footing going in, and we expected to see a strong recovery on the other side. As markets push higher, we remain cautiously optimistic for the markets as extremely accommodative monetary and fiscal policies should continue to help to support markets. However, this is not to say that we do not expect added volatility along the way. In the coming weeks we are closely monitoring interest rates, inflation, jobs reports, and earnings.

As we saw bedrock financial principles reward patience in an extremely volatile 2020, we continue to urge investors to take the headline noise out of the equation and remain committed to their long-term financial plans. As always, please do not hesitate to contact us with any questions that you may have.

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