

First Bank Center for Family- Owned Businesses

Market Update & Overview January 2021

January 21, 2021



Host



Joe Ambrose, Executive Director,
First Bank Center for Family-Owned
Businesses



Presenters



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What were the "Experts" Saying Last Year

Date	Source	Quote	S&P 500 Returns Since Quote *
March 4, 2020	David Stockman	"The stock market is heading not only for another 50% correction (1600 on the S&P 500), but also a long L-Shaped bottom rather than a quick V-shaped rebound which occurred after 2009." – <i>Published note on PeakProsperity</i>	23.2%
March 24, 2020	Nouriel Roubini	"With the COVID-19 pandemic still spiraling out of control, the best economic outcome that anyone can hope for is a recession deeper than that following the 2008 financial crisis... The risk of a new Great Depression, worse than the original – a Greater Depression – is rising by the day." – <i>Published note on Project Syndicate</i>	57.3%
March 25, 2020	Peter Schiff	"What the Fed is doing is extremely bearish for the U.S. economy... It ensures that this recession, depression that we're entering is going to be extremely brutal in the inflation that is going to ravage the economy, particularly investors and retirees." – <i>FOX Business</i>	55.5%
March 26, 2020	John Hussman	"I continue to expect the S&P 500 to lose about two-thirds of its value over the coming years." – <i>Hussman Funds</i>	46.4%
March 31, 2020	Jeff Gundlach	"The low we hit in the middle of March... I would bet that low will get taken out... The market has really made it back to a resistance zone and the market continues to act somewhat dysfunctionally in my opinion... Take out the low of March and then we'll get a more enduring low." – <i>CNBS</i>	48.9%
April 1, 2020	George Soros	"We're going to have the worst bear market in my lifetime." – <i>Business Insider</i>	55.8%



* Through 1/14/20







S&P 500 – The “V” Shaped Recovery



Source - Bloomberg

Market Summary

Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
2020	STOCKS				BONDS	
	20.89%	7.59%	18.31%	-9.09%	7.51%	3.94%
						
Since Jan. 2001						
Avg. Annual Return	9.5%	6.8%	13.6%	9.8%	4.9%	4.5%
Best Year	33.6% 2013	39.4% 2003	78.5% 2009	37.4% 2006	10.3% 2002	8.8% 2014
Worst Year	-37.3% 2008	-43.6% 2008	-53.3% 2008	-45.7% 2008	-2.0% 2013	1.2% 2013

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), US Bond Market (Bloomberg Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2021, all rights reserved. Bloomberg Barclays data provided by Bloomberg.

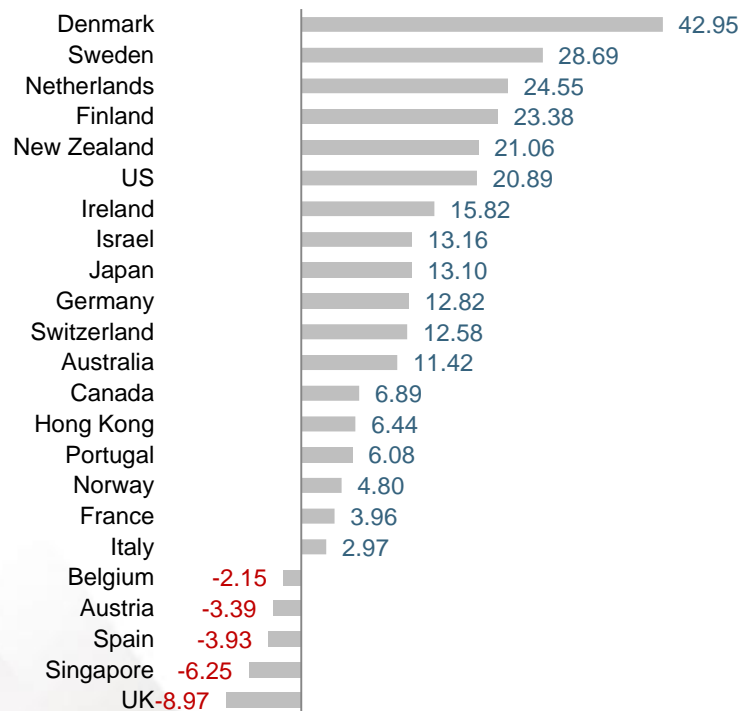


Select Market Performance

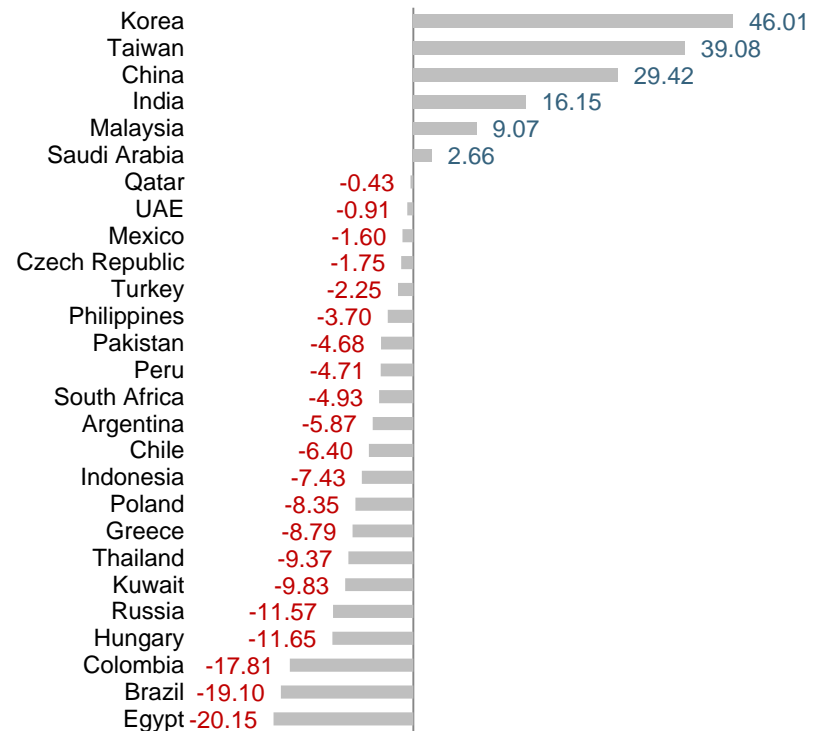
2020 Index Returns

In US dollar terms, Denmark and Sweden recorded the highest country performance in developed markets, while the UK and Singapore posted the lowest returns for the year. In emerging markets, Korea and Taiwan recorded the highest country performance, while Egypt and Brazil posted the lowest performance.

Ranked Developed Markets Returns (%)



Ranked Emerging Markets Returns (%)

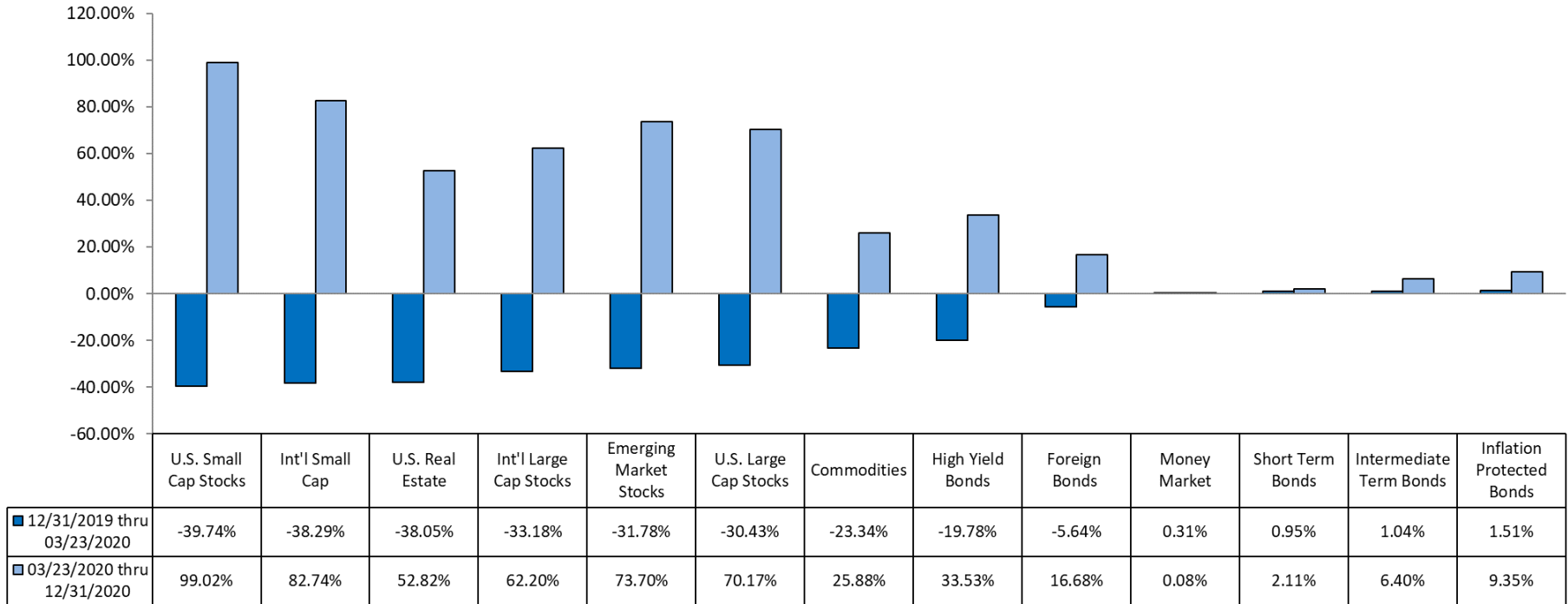


Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Country performance based on respective indices in the MSCI World ex US IMI Index (for developed markets), MSCI USA IMI Index (for US), and MSCI Emerging Markets IMI Index. All returns in USD and net of withholding tax on dividends. MSCI data © MSCI 2021, all rights reserved. UAE and Qatar have been reclassified as emerging markets by MSCI, effective May 2014.



Before & After March Lows – A Tale of Two Markets

Best 50 Day Period Ever for S&P 500



S&P 500 Has Been Positive 16 out of Past 18 Years

S&P 500: Total Returns (1928 - 2019)									
Year	Return	Year	Return	Year	Return	Year	Return	Year	Return
1928	43.8%	1947	5.2%	1966	-10.0%	1985	31.2%	2004	10.9%
1929	-8.3%	1948	5.7%	1967	23.8%	1986	18.5%	2005	4.9%
1930	-25.1%	1949	18.3%	1968	10.8%	1987	5.8%	2006	15.8%
1931	-43.8%	1950	30.8%	1969	-8.2%	1988	16.6%	2007	5.5%
1932	-8.6%	1951	23.7%	1970	3.6%	1989	31.7%	2008	-37.0%
1933	50.0%	1952	18.2%	1971	14.2%	1990	-3.1%	2009	26.5%
1934	-1.2%	1953	-1.2%	1972	18.8%	1991	30.5%	2010	15.1%
1935	46.7%	1954	52.6%	1973	-14.3%	1992	7.6%	2011	2.1%
1936	31.9%	1955	32.6%	1974	-25.9%	1993	10.1%	2012	16.0%
1937	-35.3%	1956	7.4%	1975	37.0%	1994	1.3%	2013	32.4%
1938	29.3%	1957	-10.5%	1976	23.8%	1995	37.6%	2014	13.7%
1939	-1.1%	1958	43.7%	1977	-7.0%	1996	23.0%	2015	1.4%
1940	-10.7%	1959	12.1%	1978	6.5%	1997	33.4%	2016	12.0%
1941	-12.8%	1960	0.3%	1979	18.5%	1998	28.6%	2017	21.8%
1942	19.2%	1961	26.6%	1980	31.7%	1999	21.0%	2018	-4.4%
1943	25.1%	1962	-8.8%	1981	-4.7%	2000	-9.1%	2019	31.5%
1944	19.0%	1963	22.6%	1982	20.4%	2001	-11.9%	2020	18.4%
1945	35.8%	1964	16.4%	1983	22.3%	2002	-22.1%		
1946	-8.4%	1965	12.4%	1984	6.1%	2003	28.7%		



Source - Bloomberg

Global Yields

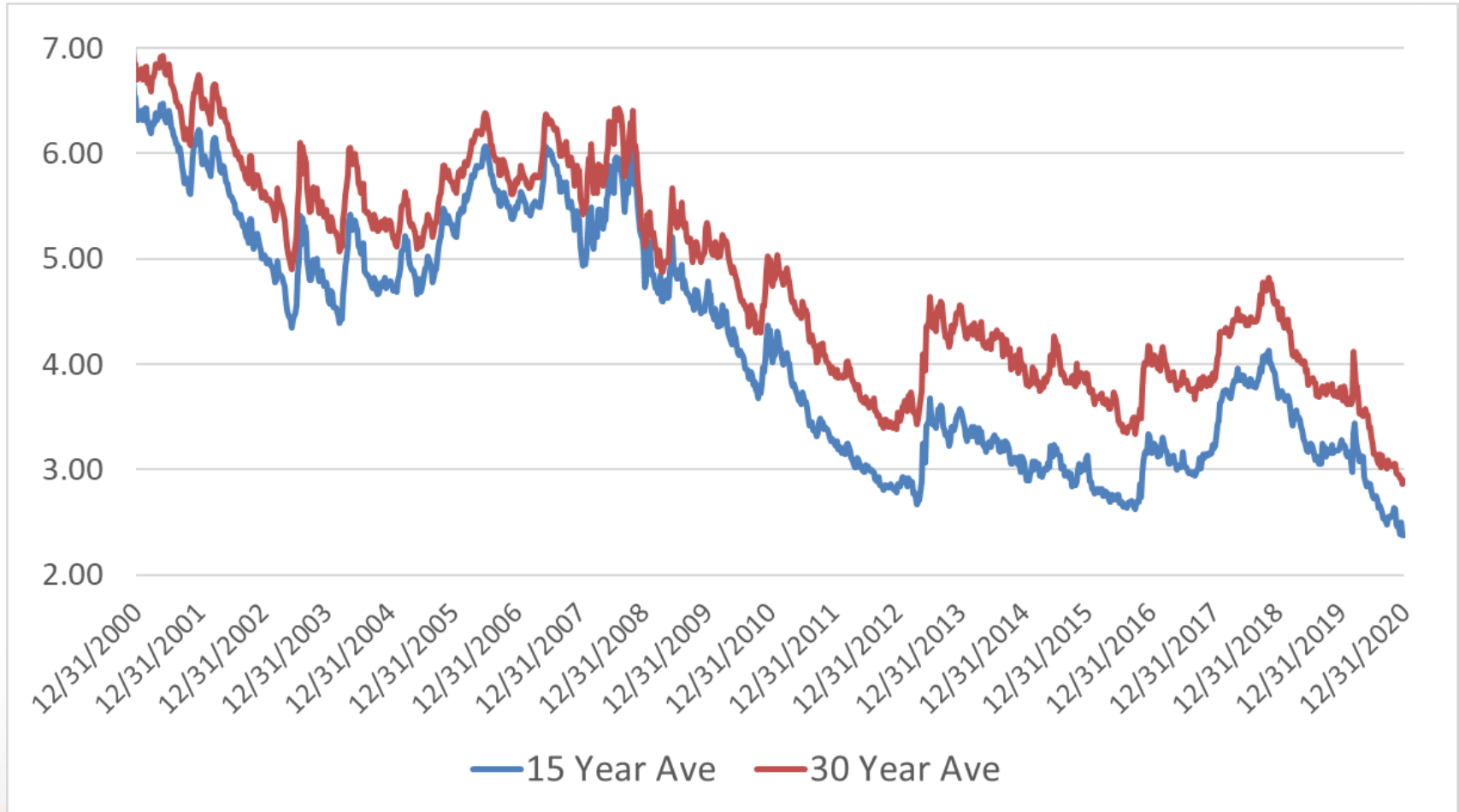
Country	1-Year	2-Year	3-Year	4-Year	5-Year	10-Year	15-Year	20-Year	30-Year
Switzerland	-0.92%	-0.84%	-0.82%	-0.80%	-0.77%	-0.58%	-0.44%	-0.35%	-0.36%
Japan	-0.13%	-0.13%	-0.13%	-0.12%	-0.11%	0.02%	0.21%	0.40%	0.64%
Germany	-0.74%	-0.72%	-0.77%	-0.76%	-0.74%	-0.57%	-0.39%	-0.37%	-0.16%
Austria	-0.66%	-0.71%	-0.70%	-0.70%	-0.70%	-0.43%	-0.19%	-0.05%	0.09%
Netherlands	-0.75%	-0.73%	-0.74%	-0.73%	-0.71%	-0.49%	-0.42%	-0.26%	-0.09%
Belgium	-0.66%	-0.72%	-0.71%	-0.71%	-0.69%	-0.39%	-0.17%	0.11%	0.33%
Finland	-0.76%	-0.75%	-0.74%	-0.75%	-0.73%	-0.43%	-0.17%	-0.07%	-0.03%
France	-0.67%	-0.72%	-0.73%	-0.72%	-0.68%	-0.34%	-0.16%	0.09%	0.36%
Denmark	-0.58%	-0.63%	-0.64%		-0.59%	-0.46%		-0.24%	-0.05%
Sweden	-0.20%	-0.37%			-0.31%	0.02%		0.32%	
Ireland	-0.72%	-0.72%	-0.70%	-0.67%	-0.63%	-0.31%	-0.11%	-0.05%	0.28%
Italy	-0.47%	-0.42%	-0.29%	-0.19%	-0.01%	0.54%	0.92%	1.14%	1.42%
Spain	-0.63%	-0.63%	-0.58%	-0.48%	-0.40%	0.04%	0.36%	0.62%	0.86%
England	-0.14%	-0.17%	-0.12%	-0.11%	-0.09%	0.19%	0.39%	0.68%	0.75%
United States	0.11%	0.12%	0.17%		0.36%	0.92%		1.44%	1.65%

As of 12/31/2020



Source - Bloomberg

Mortgage Rates 15 Year Vs 30 Year



Source - Bloomberg