

Market Monitor – June 2021

Global equities rose 2.3%¹ in June as Growth and Quality styles led the market higher (Value outperformed in the previous 6 months). The easing of Covid-19 restrictions in developed markets has led to a rise in demand which supply is struggling to meet, leading to supply chain issues and pricing pressures. Central banks view the recent rise in inflation as a transitory event that will decline to the long-term trend. Markets in June followed this narrative and bond yields declined.

The US Treasury 10-year yield fell to 1.47% from 1.61% at the start of the month. The economic data improved over the month, but not too much to worry investors that the central banks will tighten monetary conditions anytime soon. This provided support for US Growth stocks (+6.7%) to lead the S&P500 to a 2.3% gain over the month. Information Technology (+6.9%), Consumer Discretionary (3.8%) and Real Estate (+3.1%) were the leading performing sectors alongside Energy (+4.6%), which benefitted from the 9.3% gain in the Oil spot price. Materials (-5.4%) and Financial (-3.0%) sectors declined following strong gains over recent months.

The Continental Europe equity index (+2.0%) performed well over the month, resulting a 3 month return of 8.4% for the regional index. Although the eurozone economy contracted by 0.6% in the first quarter, leading economic indicators, such as purchasing managers' index business surveys have reached multi-year highs in many regions. Germany (1.3%) was the best performing country index, but it was the Growth (3.6%) stocks across the region which led the market.

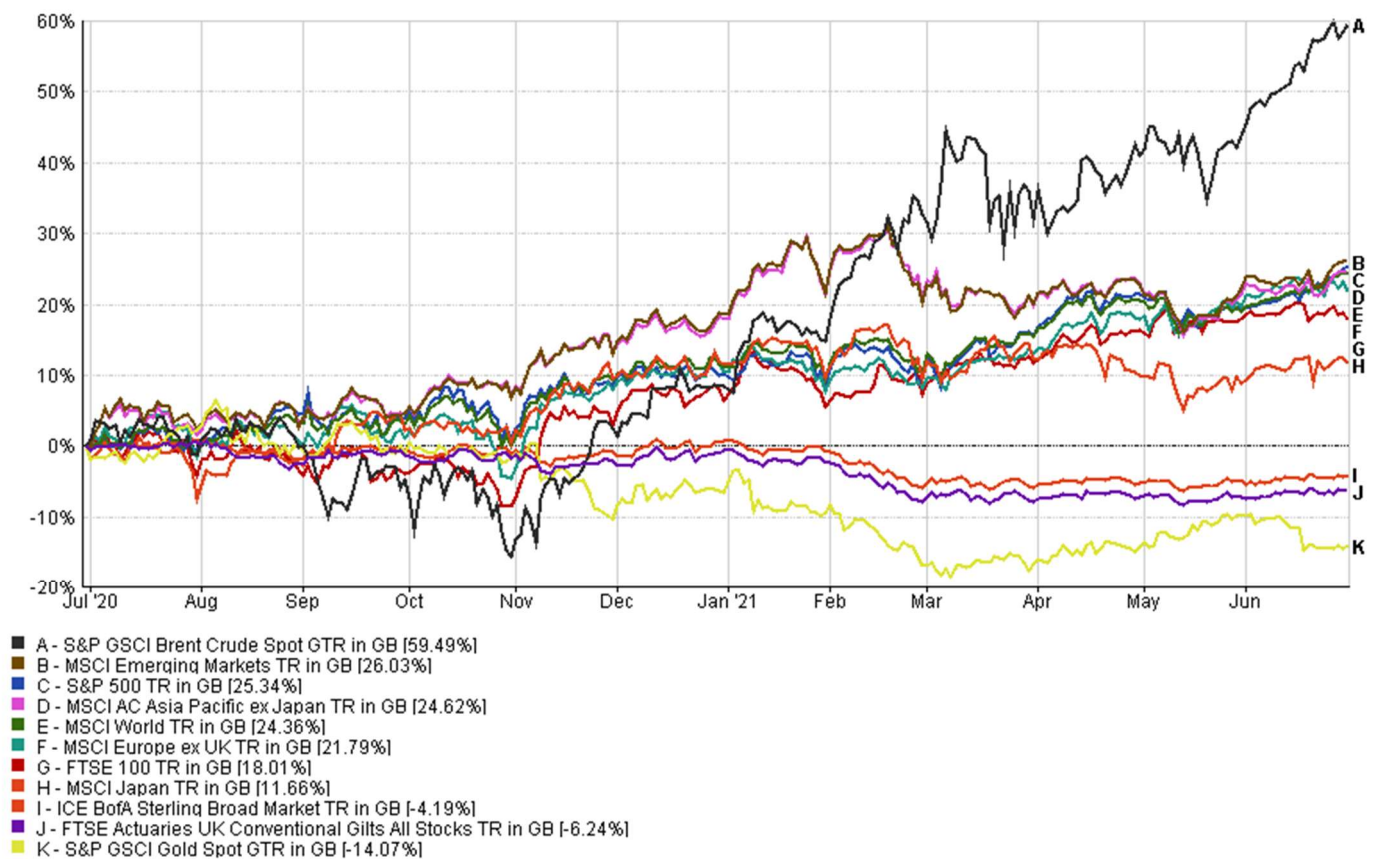
Andrew Bailey insists the Bank of England (BoE) is not complacent to the effects of inflation but acknowledged the BoE had underestimated pace of rebound in growth in the economy. The BoE expects inflation to rise to 3% later this year however Andy Haldene, the outgoing BoE economist believes inflation will hit 4% by Christmas. The large cap FTSE 100 index (+0.4%) outperformed the mid cap FTSE 250 (excl. Investment Trusts) (-1.8%) over the month. Healthcare (+6.0%), Energy (+5.8%) and Technology (+5.1%) were the top performing sectors, with Financials (-2.8%), Materials (-2.9%) and Defence (-3.6%) the laggards. The Materials sector was affected by the fall in metal pricing, with Gold spot giving up most of its gains in May, declining -7.0% in June. Copper too retraced its recent gains falling -8.1% over the month to \$4.30 (per Lbs).

Asian (+0.9%) and Emerging Markets (+0.8%) indices continued to be restrained over the month. Korea (+2.8%) and India (+1.6%) were the best performing markets with China (0.3%) and Hong Kong (-1.8%) laggards amid continuing signs that Chinese policy makers are trying to clamp down on the shadow banking system and too much speculation.

*Chris Davis,
Chief Investment Officer*

¹ Performance data in local currency, unless otherwise stated.

1-Year Performance in Sterling Terms to 30 June 2021

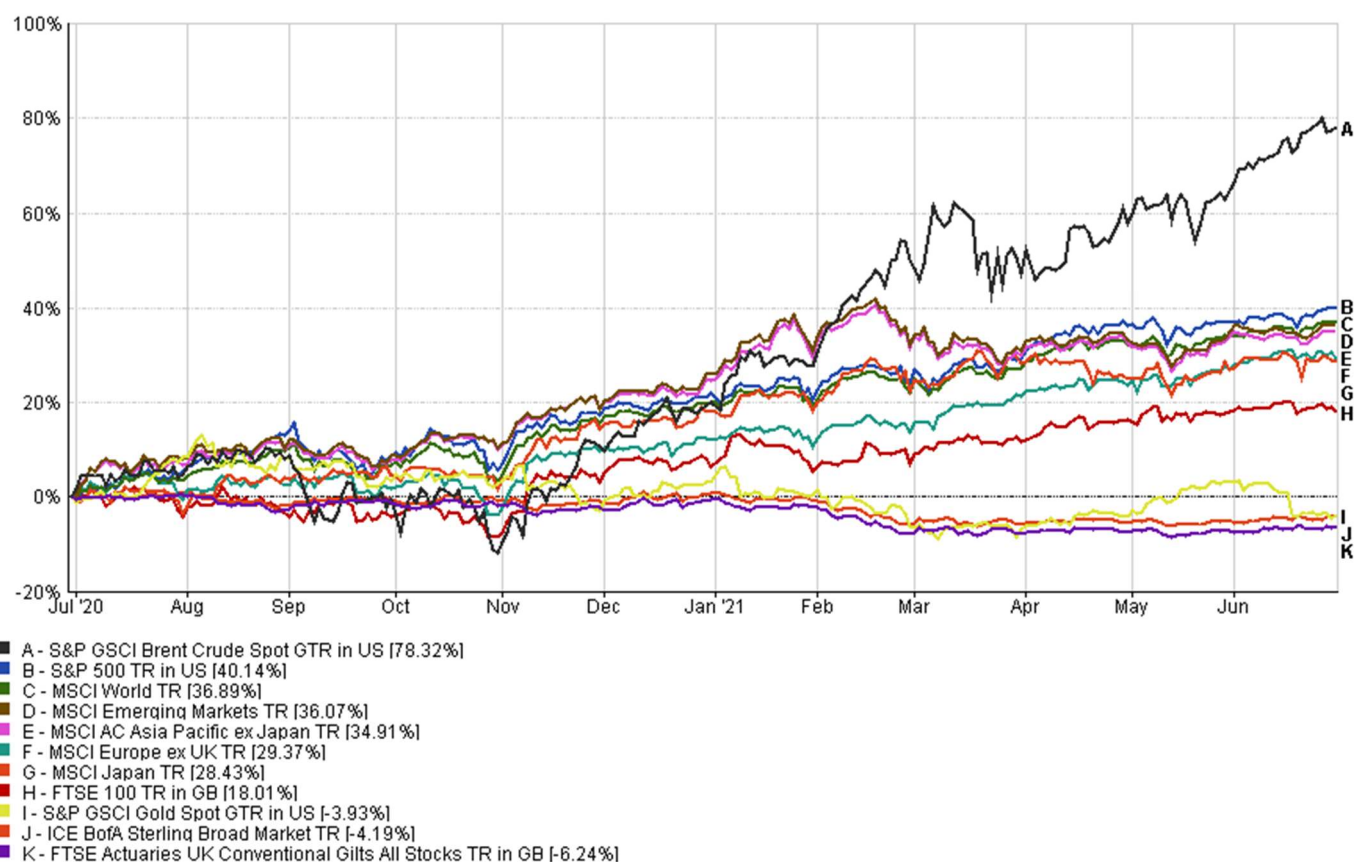


Cumulative Performance in Sterling Terms to 30 June 2021

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	0.7%	1.7%	-5.7%	-6.2%	9.4%	10.5%
ICE BofA Sterling Broad Market	0.8%	1.8%	-4.9%	-4.2%	11.3%	14.1%
MSCI World	4.4%	7.6%	11.9%	24.4%	45.3%	93.2%
FTSE 100	0.4%	5.7%	10.9%	18.0%	3.3%	31.3%
S&P 500	5.0%	8.3%	13.8%	25.3%	57.1%	111.9%
MSCI Europe ex UK	1.8%	7.7%	10.4%	21.8%	30.6%	70.2%
MSCI Asia Pacific ex Japan	2.6%	3.9%	5.7%	24.6%	33.8%	85.5%
MSCI Emerging Markets	3.1%	4.9%	6.3%	26.0%	31.7%	78.5%
MSCI Japan	2.6%	-0.4%	0.2%	11.7%	17.9%	57.2%
S&P GSCI Gold Spot	-4.6%	3.0%	-7.9%	-14.1%	29.3%	22.1%
S&P GSCI Brent Crude Spot	12.2%	20.8%	47.2%	59.5%	-12.5%	33.3%

Source: Financial Express

1-Year Performance in Local Currency Terms to 30 June 2021



Cumulative Performance in Local Currency Terms to 30 June 2021

	1m	3m	6m	1y	3y	5y
FTSE Actuaries UK Conventional Gilts All Stocks	0.7%	1.7%	-5.7%	-6.2%	9.4%	10.5%
ICE BofA Sterling Broad Market	0.8%	1.8%	-4.9%	-4.2%	11.3%	14.1%
MSCI World	2.3%	7.6%	14.2%	36.9%	50.9%	98.8%
FTSE 100	0.4%	5.7%	10.9%	18.0%	3.3%	31.3%
S&P 500	2.3%	8.4%	15.0%	40.1%	64.4%	119.0%
MSCI Europe ex UK	2.0%	6.6%	15.5%	29.4%	32.9%	66.0%
MSCI Asia Pacific ex Japan	0.9%	3.9%	8.1%	34.9%	38.7%	89.0%
MSCI Emerging Markets	0.8%	3.8%	7.9%	36.1%	40.5%	89.0%
MSCI Japan	1.2%	0.2%	8.9%	28.4%	23.6%	75.7%
S&P GSCI Gold Spot	-7.0%	3.2%	-7.0%	-3.9%	35.3%	26.2%
S&P GSCI Brent Crude Spot	9.3%	20.9%	48.7%	78.3%	-8.5%	37.7%

Source: Financial Express

Calendar Performance in Sterling Terms to 30 June 2021

	2021	2020	2019	2018	2017	2016
FTSE Actuaries UK Conventional Gilts All Stocks	-5.7%	8.3%	6.9%	0.6%	1.8%	10.1%
ICE BofA Sterling Broad Market	-4.9%	8.3%	8.0%	-0.1%	2.6%	10.6%
MSCI World	11.9%	12.3%	22.7%	-3.0%	11.8%	28.2%
FTSE 100	10.9%	-11.5%	17.3%	-8.7%	11.9%	19.1%
S&P 500	13.8%	14.1%	25.7%	1.0%	10.6%	32.7%
MSCI Europe ex UK	10.4%	7.5%	20.0%	-9.9%	15.8%	18.6%
MSCI Asia Pacific ex Japan	5.7%	18.7%	14.6%	-8.6%	25.1%	27.3%
MSCI Emerging Markets	6.3%	14.7%	13.9%	-9.3%	25.4%	32.6%
MSCI Japan	0.2%	10.9%	15.0%	-7.5%	13.3%	22.1%
S&P GSCI Gold Spot	-7.9%	17.2%	13.5%	3.2%	3.0%	28.5%
S&P GSCI Brent Crude Spot	47.2%	-37.1%	32.4%	-10.0%	5.5%	53.2%

Source: Financial Express

Calendar Performance in Local Currency Terms to 30 June 2021

	2021	2020	2019	2018	2017	2016
FTSE Actuaries UK Conventional Gilts All Stocks	-5.7%	8.3%	6.9%	0.6%	1.8%	10.1%
ICE BofA Sterling Broad Market	-4.9%	8.3%	8.0%	-0.1%	2.6%	10.6%
MSCI World	14.2%	13.5%	27.3%	-7.4%	18.5%	9.0%
FTSE 100	10.9%	-11.5%	17.3%	-8.7%	11.9%	19.1%
S&P 500	15.0%	17.8%	30.7%	-4.9%	21.1%	11.2%
MSCI Europe ex UK	15.5%	1.4%	26.4%	-11.3%	13.6%	2.3%
MSCI Asia Pacific ex Japan	8.1%	18.8%	19.0%	-10.6%	30.2%	7.4%
MSCI Emerging Markets	7.9%	19.1%	18.1%	-10.1%	30.6%	9.7%
MSCI Japan	8.9%	8.8%	18.5%	-15.1%	19.7%	-0.7%
S&P GSCI Gold Spot	-7.0%	20.9%	18.0%	-2.8%	12.8%	7.7%
S&P GSCI Brent Crude Spot	48.7%	-35.1%	37.7%	-15.3%	15.5%	28.5%

Source: Financial Express

Source: London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). © LSE Group 2018. FTSE Russell is a trading name of certain of the LSE Group companies. "FTSE®" is a trade mark(s) of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in the relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from the LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote, sponsor or endorse the content of this communication.

This document reflects the general views and opinions of Torevell & Partners only and these are subject to change without notice. This document and its contents do not constitute advice or a personal recommendation and do not take into account individual client circumstances or needs.

The value of investments can go down in value as well as up, so you could get back less than you invest. It should be remembered that past performance is not necessarily a guide to future performance.

Our research is undertaken and views are expressed with all reasonable care and are not knowingly misleading. Any information provided in this document is obtained from sources that we consider to be reasonable and trustworthy but accuracy cannot be guaranteed.

Issued by Torevell & Partners, 5 Oxford Court, Manchester M2 3WQ. Tel 0161 281 6400. www.torevellpartners.co.uk. Torevell & Partners is the trading name of Dewhurst Torevell & Co Ltd, a company authorised and regulated by the Financial Conduct Authority (FRN 183210). Registered in England & Wales, No 3279315. VAT No 781 7810 06