

## Memorandum

Independence Day is upon us, which means that in addition to enjoying BBQs and fireworks with family and friends, the year is half-gone. If that isn't hard enough to believe, a 15%+ year-to-date return for the S&P 500 through June just might be (the index price is now 92% higher than its March 2020 nadir). While market watchers remain fixated on the threat of inflation and the Fed's rhetoric around - and reaction to - the incoming data, there are more signs of "normalization" across various markets. The overall surge in commodity prices this year has been hard to ignore, for example, crude oil is up over 50% year-to-date. However, of late many of the surging commodities have fallen back, as an example, lumber is now down over 50% from its May high or copper - a bellwether for enthusiasm about global growth and red hot alongside the recovery - is down roughly 10% since early May.

Another high flying sector, Crypto currencies have taken a pounding recently. Bitcoin is now below \$35,000 after trading above \$63,000 back in April. Furthermore, as mentioned in last month's commentary, the SPAC craze has also eased. To be sure, and to keep the rationalists honest, GameStop and AMC stock continue to trade at astronomical valuations as the "meme" stock vogue continues. The chart below shows year to date movement of AMC stock (part of the Russell 2000 Value index, which impacts relative performance). AMC has a 1,957% return year to date. Maybe a lot of people are returning to the movie theatres, but really?

### AMC - AMC Theaters

Largest gain in 2021: **2,850%**

Largest loss in 2021: **-72%**

Peak price: **\$62.55**

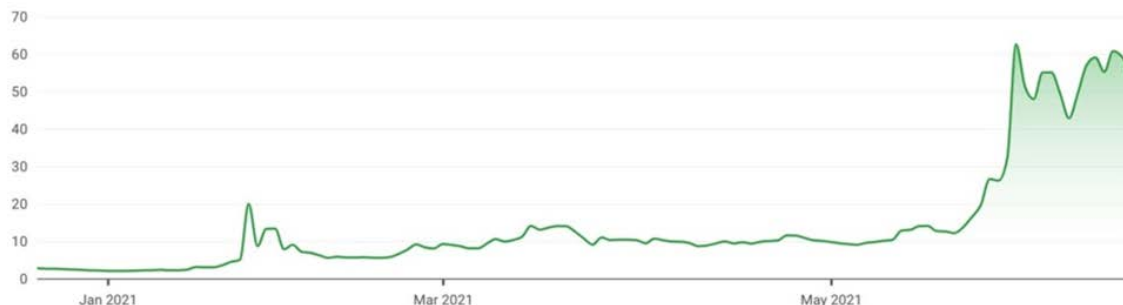
Current price: **\$55.14** (at last check).

AMC Entertainment Holdings Inc

**\$55.14** ↑1,957.46% +52.46 6 M

21 Jun, 13:26:22 UTC-4 · USD · NYSE · Disclaimer

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## Equity Markets

Although most equity indices were positive in the month, growth stocks led the way. As the Federal Reserve persuaded many that inflation risks will be “transitory” and interest rates will remain low at least through next year, the “re-opening” stocks were impacted and value stocks were negative across market capitalizations. For the first half of the year, value stocks still hold a meaningful gain. Meanwhile, stocks outside of the U.S. lagged, with COVID variants proving an impediment to re-opening in various developed economies and the Virus still wreaking havoc in under-vaccinated emerging economies. Small capitalization stocks were also weaker in the month, after leading for most periods until June.

As of June 30, 2021

Equity	MTD (%)
<b>All Cap U.S. Stocks</b>	
Russell 3000	2.5
Growth	6.2
Value	-1.1
<b>Large Cap U.S. Stocks</b>	
S&P 500	2.3
Russell 1000	2.5
Growth	6.3
Value	-1.1
<b>Mid Cap U.S. Stocks</b>	
S&P 400	-1.0
Russell Midcap	1.5
Growth	6.8
Value	-1.2
<b>Small Cap U.S. Stocks</b>	
S&P 600	0.3
Russell 2000	1.9
Growth	4.7
Value	-0.6
<b>International</b>	
MSCI EAFE NR (USD)	-1.1
MSCI EAFE NR (LOC)	1.4
MSCI EM NR (USD)	0.2
MSCI EM NR (LOC)	0.8

Equity	YTD (%)
<b>All Cap U.S. Stocks</b>	
Russell 3000	15.1
Growth	12.7
Value	17.7
<b>Large Cap U.S. Stocks</b>	
S&P 500	15.3
Russell 1000	15.0
Growth	13.0
Value	17.0
<b>Mid Cap U.S. Stocks</b>	
S&P 400	17.6
Russell Midcap	16.2
Growth	10.4
Value	19.5
<b>Small Cap U.S. Stocks</b>	
S&P 600	23.6
Russell 2000	17.5
Growth	9.0
Value	26.7
<b>International</b>	
MSCI EAFE NR (USD)	8.8
MSCI EAFE NR (LOC)	12.7
MSCI EM NR (USD)	7.4
MSCI EM NR (LOC)	7.9

## Fixed Income Markets

Bonds were mostly positive in June. Credit spreads tightened further while the 10-year U.S. Treasury yield fell from 1.58% to 1.45%. Intermediate and long maturity bonds benefitted the

most from the lower movement in interest rates. In addition, with near term inflation concerns somewhat abated, TIPS posted a positive return for the month. For the first six months, the broad bond market remains in negative territory.

As of June 30, 2021

Fixed Income	MTD (%)	Fixed Income	YTD (%)
<i>Barclays Capital</i>		<i>Barclays Capital</i>	
U.S. Aggregate	0.7	U.S. Aggregate	-1.6
U.S. Treasury: 1-3 Year	-0.2	U.S. Treasury: 1-3 Year	-0.1
U.S. Treasury	0.6	U.S. Treasury	-2.6
U.S. Treasury Long	3.6	U.S. Treasury Long	-7.9
U.S. TIPS	0.6	U.S. TIPS	1.7
U.S. Credit: 1-3 Year	-0.1	U.S. Credit: 1-3 Year	0.2
U.S. Intermediate Credit	0.3	U.S. Intermediate Credit	-0.5
U.S. Credit	1.5	U.S. Credit	-1.3
U.S. Intermediate G/C	0.1	U.S. Intermediate G/C	-0.9
U.S. Govt/Credit	1.0	U.S. Govt/Credit	-2.0
U.S. Govt/Credit Long	3.6	U.S. Govt/Credit Long	-4.6
U.S. MBS	0.0	U.S. MBS	-0.8
U.S. Corp High Yield	1.3	U.S. Corp High Yield	3.6
Global Aggregate (USD)	-0.9	Global Aggregate (USD)	-3.2
Emerging Markets (USD)	0.7	Emerging Markets (USD)	-0.6
<i>S&amp;P/LSTA</i>		<i>S&amp;P/LSTA</i>	
Leveraged Loan	0.3	Leveraged Loan	3.2

**We hope you and your families had a terrific July 4<sup>th</sup> Holiday!**

Segal Marco Advisors