

The Economy

- The U.S. economy expanded by a robust 33.1% annualized rate during the third quarter of 2020, the largest quarterly gain on record. Consumer spending (which drives about two-thirds of U.S. economic activity) surged by 40.6% during the period as government-mandated restrictions were eased. Business and residential investments were particularly strong, which helped fuel the large rebound.
- Preliminary estimates for the November reading of Markit's U.S. purchasing managers' index showed that manufacturing activity remained in expansion territory (above 50), jumping from 53.4 to 56.7. Services activity also improved, moving to 57.7 for the month from 56.9 in October.
- Higher demand for computers and transportation equipment drove the rate of durable-goods orders higher by 1.3% in October, marking the sixth consecutive monthly increase in the reading as it continued to recover from March's low.
- According to the Conference Board, confidence among consumers fell from 101.4 to 96.1 in November amid a widespread resurgence in new COVID-19 infections and business restrictions. The survey results indicated that consumers anticipate a sharp slowdown in economic growth during the fourth quarter.
- The U.S. housing market continued to accelerate in September. The reading grew by 1.3% for the month and 6.6% year over year, as measured by the S&P CoreLogic Case-Schiller Home Price Index. Record-low mortgage rates have increased purchasing power for homebuyers.
- New-home sales moderated from 994,000 in August (when the reading reached its highest level since 2006) to 959,000 in September.
- Mortgage-purchase applications jumped by 4.0% for the week ending November 20, while refinancing applications advanced by 3.9%. The average interest rate on a 30-year fixed-rate mortgage was unchanged at 2.72%.
- Initial jobless claims increased by 31,000 to 742,000 during the week ending November 14. New applications for unemployment benefits remained historically high despite plunging in May from a peak of 7 million claims in March.
- Economic sentiment in the eurozone diminished from 91.1 to 87.6 as employment expectations fell for the second consecutive month. Industry and services confidence also deteriorated during the month

Stocks

- Global equity markets closed higher for the week. Emerging markets led developed markets.
- U.S. equities were deep in negative territory. Energy and financials were the top performers, while utilities and healthcare lagged. Value stocks led growth, and small caps beat large caps.

Bonds

- The 10-year Treasury bond yield moved higher to 0.84%. Global bond markets were in neutral territory this week. High-yield bonds led, followed by global corporate bonds and global government bonds.

The Numbers as of November 27, 2020	1 Week	YTD	1 Year	Friday's Close
Global Equity Indexes				
MSCI ACWI (\$)	1.9%	9.9%	13.1%	621.3
MSCI EAFE (\$)	1.5%	1.5%	4.3%	2066.6
MSCI Emerging Mkts (\$)	1.7%	10.3%	17.1%	1229.6
U.S. & Canadian Equities				
Dow Jones Industrials (\$)	2.3%	4.9%	6.3%	29926.5
S&P 500 (\$)	2.1%	12.5%	15.2%	3633.5
NASDAQ (\$)	2.9%	35.9%	40.1%	12194.5
S&P/TSX Composite (C\$)	2.0%	1.7%	1.4%	17357.6
U.K. & European Equities				
FTSE All-Share (£)	0.2%	-14.4%	-12.4%	3593.7
MSCI Europe ex UK (€)	0.7%	-2.1%	-1.1%	1408.5
Asian Equities				
Topix (¥)	3.4%	3.8%	4.6%	1786.5
Hong Kong Hang Seng (\$)	1.7%	-4.6%	0.0%	26894.7
MSCI Asia Pac. Ex-Japan (\$)	1.4%	14.8%	19.7%	634.3
Latin American Equities				
MSCI EMF Latin America (\$)	3.8%	-23.1%	-15.1%	2245.2
Mexican Bolsa (peso)	0.5%	-3.3%	-2.3%	42114.7
Brazilian Bovespa (real)	4.8%	-3.9%	2.7%	111168.0
Commodities (\$)				
West Texas Intermediate Spot	8.0%	-25.5%	-21.7%	45.5
Gold Spot Price	-4.5%	17.4%	22.8%	1787.9
Global Bond Indexes (\$)				
Barclays Global Aggregate (\$)	0.0%	7.5%	8.2%	550.1
JPMorgan Emerging Mkt Bond	0.0%	4.0%	5.9%	917.0
10-Year Yield Change (basis points*)				
US Treasury	2	-108	-93	0.84%
UK Gilt	-2	-53	-39	0.28%
German Bund	-1	-40	-23	-0.59%
Japan Govt Bond	2	4	11	0.03%
Canada Govt Bond	3	-102	-79	0.68%
Currency Returns**				
US\$ per euro	0.8%	6.6%	8.6%	1.196
Yen per US\$	0.2%	-4.2%	-5.0%	104.03
US\$ per £	0.3%	0.4%	3.1%	1.331
C\$ per US\$	-0.9%	-0.1%	-2.3%	1.298

Source: Bloomberg. Equity-index returns are price only, others are total return. *100 basis points = 1 percentage point. **Increases in U.S. dollars (USD) per euro or pound indicate a decline in the value of the USD; increases in yen or Canadian dollars per USD indicate an increase in the value of the USD.

Index returns are for illustrative purposes only and do not represent actual investment performance. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged, and one cannot invest directly in an index. Past performance does not guarantee future results.

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