

# March 2021 Market Watch

The quarter ended higher in March driven by continued vaccine optimism as U.S. and U.K. rollouts accelerated. President Biden also signed a \$1.9T U.S. stimulus bill, injecting the markets with significant fiscal support. Yields continued to rise on the back of optimism for global growth, though the pace of potential inflation remained a concern. Ultimately, the hopes that economies across the globe will soon reopen drove the first quarter rally.

U.S. economic data was largely positive in March. ISM Manufacturing PMI was the highest since Dec 1983 at 64.7, beating the 61.5 estimate. Nonfarm payrolls surged +916K in March, the biggest gain since last August and well above the 660K consensus. Unemployment rate fell by 6.0%, in line with expectations. March's Consumer Confidence posted its sharpest one month gain in 18 years, boosted by improving labor market sentiment.

As expected, the Fed made no changes at the mid-March meeting to its asset purchase plan and rates are projected to be on hold through 2023.

All eyes continue to stay on where yields will be headed, whether inflation concerns will materialize, and whether the Fed will step in to slow the pace of the rise in yields.

	Date	1 Week Ago		1 Month Ago		1 Year Ago		YTD
	3/31/21	3/24/21	% chg*	2/28/21	% chg*	3/31/20	% chg*	% chg*
<b>DJIA</b>	32,981.6	32,420.1	1.7%	30,932.4	6.6%	21,917.2	7.8%	7.8%
<b>S&amp;P 500</b>	3,972.9	3,889.1	2.2%	3,811.2	4.2%	2,584.6	5.8%	5.8%
<b>NYSE Comp Index</b>	15,601.7	15,276.6	2.1%	15,010.5	3.9%	10,301.9	7.4%	7.4%
<b>NASDAQ Composite</b>	13,246.9	12,961.9	2.2%	13,192.3	0.4%	7,700.1	2.8%	2.8%
<b>Russell 2000</b>	2,220.5	2,134.3	4.0%	2,201.1	0.9%	1,153.1	12.4%	12.4%
<b>MSCI EM (Emerging Markets)</b>	1,316.4	1,298.4	1.4%	1,339.3	-1.7%	848.6	1.9%	1.9%
<b>MSCI EAFE</b>	2,208.3	2,195.8	0.6%	2,168.9	1.8%	1,559.6	2.8%	2.8%
<b>Japan Nikkei 225</b>	29,178.8	28,405.5	2.7%	28,966.0	0.7%	18,917.0	6.3%	6.3%
<b>FTSE 100</b>	6,713.6	6,712.9	0.0%	6,483.4	3.6%	5,672.0	5.0%	5.0%
<b>SSE Comp Index</b>	3,441.9	3,367.1	2.2%	3,509.1	-1.9%	2,750.3	-0.9%	-0.9%

## US Equity Sector Performance

	Mar	YTD	1 Yr Ret.
<b>Consumer Discretionary</b>	3.7%	3.1%	70.3%
<b>Consumer Staples</b>	8.2%	1.1%	28.4%
<b>Energy</b>	2.8%	30.9%	75.2%
<b>Financials</b>	5.8%	16.0%	67.5%
<b>Health Care</b>	3.9%	3.2%	34.0%
<b>Industrials</b>	8.9%	11.4%	69.6%
<b>Information Tech</b>	1.7%	2.0%	66.6%
<b>Materials</b>	7.6%	9.1%	78.3%
<b>Communication Services</b>	3.1%	8.1%	60.9%
<b>Utilities</b>	10.5%	2.8%	19.4%
<b>Real Estate</b>	6.9%	8.5%	30.5%

## US Equity Style Performance

	Mar	YTD	1 Yr Ret.
<b>Dow Jones Utilities</b>	10.6%	1.8%	16.4%
<b>DJ TRANS Avg.</b>	9.8%	17.3%	91.9%
<b>Russell 1000 Value</b>	5.9%	11.3%	56.1%
<b>Russell 1000 Growth</b>	1.7%	0.9%	62.7%
<b>Russell 2000 Value</b>	5.2%	21.2%	97.1%
<b>Russell 2000 Growth</b>	-3.1%	4.9%	90.2%

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## Bond Markets (%)

All of the U.S. domestic equity indices closed higher this month, with the Dow hitting new highs at 33,000 for the first time. All sectors closed higher in the month with Utilities (+10.5%), Industrials (+8.9%), and Staples (+8.2%) leading the gainers.

Developed International Equities (MSCI EAFE) closed up +1.8%, but Emerging Market (MSCI EM) closed lower -1.7%. Global economic data showed that manufacturing expanded strongly in Europe, the US and UK. The US service sector continued to perform well, but the most notable improvement was in the UK service sector, while the European service sector lagged. Chinese equities sold off from mid-February. Covid infections rose and caused concerns in the emerging markets, such as Brazil and India.

U.S. government yields continued rising with increasing fears of inflation and an overheating economy. The 10-Yr ended the month at 1.74%, the 30-Yr at 2.42%, and the 2-Yr note at 0.16%. Multiple treasury auctions saw low demand.

Commodities gave back gains after previous month's highs. The Bloomberg Commodity Index fell -2.1% this month. WTI crude oil rose to \$66, highest levels in 14 months, early in the month as OPEC agreed to keep oil output unchanged in April, but pulled back later in the month due to European demand concerns and as the Suez Canal blockage resolved. WTI closed down -3.8%; but still up +21.9% YTD. Gold was flat -0.8%.

	3/31/21	1 Mth Ago	1 Yr Ago
US Benchmark Bond – 3 Mth	0.03	0.04	0.10
US Benchmark Bond – 6 Mth	0.03	0.06	0.11
US Benchmark Bond – 2 Yr	0.16	0.14	0.20
US Benchmark Bond – 5 Yr	0.94	0.78	0.37
US Benchmark Bond – 10 Yr	1.74	1.46	0.68
US Benchmark Bond – 30 Yr	2.42	2.19	1.32

## US Bond Sector Performance

	Mar	YTD	1 Yr Ret.
Bloomberg Barclays U.S. Govt. Intrm. TR	-0.67%	-1.72%	-1.20%

## Exchange Rates (per US dollar)

	3/31/21	1 Mth Ago	1 Yr Ago
Canadian Dollar	1.257	1.266	1.423
Mexican Peso	20.461	20.911	23.459
Euro	0.851	0.824	0.911
British Pound	0.725	0.715	0.806
Swiss Franc	0.941	0.905	0.968
Chinese Yuan	6.555	6.460	7.093
Indian Rupee	73.114	73.485	75.651
Japanese Yen	110.500	106.540	107.955

## Commodities (In US dollars)

	3/31/21	1 Mth Ago	1 Yr Ago
Gold	1,715.60	1,728.80	1,596.60
Crude Oil	59.16	61.50	20.48
US Dollar Index	93.24	90.88	99.09
Bloomberg Commodity Index	83.45	85.28	61.86

## Interest Rates (%)

	3/31/21	1 Mth Ago	1 Yr Ago
Prime Rate	3.25	3.25	3.25
Federal Funds Rate	0.07	0.07	0.10
Libor Rate 30 Day	0.11	0.12	0.99
Libor Rate 3 Months	0.19	0.19	1.45
30yr Fixed Mortgage	3.17	2.97	3.33

## Economic Sentiment

	3/31/21	1 Yr Ago
Unemployment Rate	6.00%	4.40%
Average Single Family Home	347,100	317,000
Capacity Utilization	73.80%	73.56%

\*Performance for world indices represents price returns (excluding dividends) for the DJIA, S&P 500, NASDAQ, Russell 2000, MSCI EM, MSCI EAFE, NYSE, SSE, and Nikkei, due to data availability.

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