

October 4 2019

SCARY START TO OCTOBER

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EQUITIES

Data as of: 10/04/2019

Index	Price	WTD%	QTD%	YTD%
DJIA	26573.72	-0.92	-1.27	13.92
S&P 500	2952.01	-0.33	-0.83	17.76
Nasdaq	7982.47	0.54	-0.21	20.30
Russell 2000	1500.70	-1.30	-1.49	11.28
Russell 1000 Growth	1602.55	0.58	-0.18	21.90
Russell 1000 Value	1244.68	-1.18	-1.46	13.81
Comm. Services	166.98	0.19	-0.17	20.32
Cons. Disc.	937.22	-0.23	-1.06	19.93
Cons. Staples	629.91	0.56	0.08	20.70
Energy	423.76	-3.79	-3.06	-0.07
Financial Svcs.	455.67	-2.22	-2.12	15.10
Health Care	1043.45	0.90	0.01	4.22
Industrials	637.93	-2.39	-2.59	17.66
Info. Tech.	1414.40	1.11	0.07	29.96
Materials	352.92	-2.52	-3.22	11.46
Real Estate	244.12	0.37	0.21	26.91
Utilities	329.06	0.23	0.17	22.50
MSCI EAFE*	1846.42	-2.58	-2.25	10.26
MSCI EM*	992.28	-0.91	-0.86	4.98

* MSCI, EM values as of: 10/03/2019

- Stocks** fell for a third straight week as investors gauged the health of the U.S. economy and its impact on future monetary policy. The S&P 500 Index climbed on September 30 after the U.S. administration denied claims that the United States is exploring plans to limit U.S. investors' portfolio flows into China. Then, the S&P 500 kicked off the fourth quarter with a 3% slide over two days, spurred by pessimism after an Institute for Supply Management (ISM) report (released Monday) showed manufacturing activity fell to a 10-year low in September. Tepid data flow continued into Thursday, when a separate ISM report showed services activity declined to a three-year low. The S&P 500 extended its drop Thursday, then rebounded midday as investors speculated weak data could force the Federal Reserve (Fed) to cut interest rates again later this month. The S&P 500 closed the week on an upswing after a mixed September jobs report.
- Global stocks** declined during the week. European stocks slid the most since August as the deadline for the United Kingdom's exit from the European Union neared. Emerging markets shares dropped for a third straight week.
- Growth stocks** led returns during the week, rebounding after a rough end to September. The Nasdaq Composite Index outperformed the four major indexes we track, while the Russell 2000 Index of small cap stocks underperformed the other benchmarks. Technology and healthcare shares were the best-performing sectors, while financial and energy shares lagged for the week.

FIXED INCOME, CURRENCIES, & COMMODITIES

Data as of: 10/04/19

Yield	Latest	EOW	EOQ	EOY
90 Day UST	1.67	1.80	1.88	2.45
2 Yr UST	1.40	1.63	1.63	2.48
10 Yr UST	1.52	1.69	1.68	2.69
30 Yr UST	2.01	2.13	2.12	3.02

% Return				
Fixed Income*	Yield	WTD	QTD	YTD
US Agg	2.13	0.69	0.65	9.22
US Agg Govt.	1.53	0.94	0.92	8.70
US TIPS	1.70	0.58	0.76	8.40
Munis	1.76	0.52	0.49	7.28
HY Munis	4.00	0.46	0.42	10.15
Inv. Grade	2.82	0.70	0.65	13.94
High Yield	6.40	-0.60	-0.59	10.75
MBS	2.35	0.31	0.23	5.84
Global Agg	1.24	0.60	0.70	7.07
Intl. Treasuries	0.23	-0.04	0.03	10.09
JPM EMBI	5.80	0.14	0.16	9.10

Currencies & Commodities		% Change		
	Price	WTD	QTD	YTD
US Dollar	98.81	-0.30	-0.57	2.74
EUR/USD	1.10	0.33	0.73	-4.27
USD/JPY	106.87	-1.01	-1.12	-2.54
WTI Oil	52.88	-5.42	-2.20	16.45
Gold	1510	0.25	2.53	17.86
Copper	2.56	-1.27	-0.54	-2.53

*Data as of 10/03/19

The yield presented refers to the corresponding index except for the U.S. Treasury (UST) data, which is of individual Treasury note securities and not an index. The Currency and Commodity data presented are quotes of the exchange rate. This data is from FactSet.

- Fixed income markets** gained for the third consecutive week, pushing the 10-year U.S. Treasury yield down to 1.5%. The yield curve steepened as short-term yields fell faster than long-term yields, with the 2-year yield reaching its lowest level since September 2017. High-quality debt outperformed amid the market volatility. High-yield corporate spreads widened the most since December 2018, while investment-grade corporate spreads increased the most since August.
- Oil prices** continued to decline, fully erasing gains seen after the attack on Saudi Arabia's oil facilities and sliding to their lowest level since early August. The **U.S. dollar** declined on the week, but not before the euro/dollar pair fell to multi-year lows. Gold prices declined 1.6% on Monday but caught a flight-to-safety bid and ultimately finished the week higher.

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Because of its narrow focus, specialty sector investing, such as healthcare, financials, or energy, will be subject to greater volatility than investing more broadly across many sectors and companies.

U.S. Treasuries may be considered “safe haven” investments but do carry some degree of risk including interest rate, credit, and market risk. They are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value.

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For a list of descriptions of the indexes referenced in this publication, please visit our website at lpresearch.com/definitions.

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