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STOCKS RISE AS UNCERTAINTY CLEARS

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EQUITIES

Data as of: 12/13/2019

Index	Price	WTD%	QTD%	YTD%
DJIA	28135.38	0.43	4.53	20.61
S&P 500	3168.80	0.73	6.45	26.41
Nasdaq	8734.88	0.91	9.19	31.64
Russell 2000	1636.20	0.14	7.41	21.33
Russell 1000 Growth	1729.20	0.71	7.71	31.54
Russell 1000 Value	1326.93	0.53	5.05	21.33
Comm. Services	178.27	-0.67	6.59	28.45
Cons. Disc.	963.40	1.07	1.70	23.27
Cons. Staples	641.18	0.20	1.88	22.86
Energy	441.35	0.79	0.97	4.08
Financial Svcs	507.63	1.00	9.04	28.22
Health Care	1163.70	0.40	11.53	16.23
Industrials	686.22	0.74	4.78	26.57
Info. Tech.	1566.91	1.96	10.86	43.98
Materials	377.56	0.60	3.54	19.25
Real Estate	231.68	-2.57	-4.89	20.44
Utilities	319.58	0.14	-2.71	18.97
MSCI EAFE*	1989.97	0.42	5.60	19.12
MSCI EM*	1070.71	2.08	7.17	13.48

* MSCI EAFE and MSCI EM values as of 12/12/19

- U.S. stocks** rose this week, with the S&P 500 Index gaining for the ninth week out of the past ten. Stocks rallied late in the week in anticipation of a “phase one” trade deal with China and the removal of a tariff hike scheduled for December 15. A verbal agreement was reportedly reached on Friday. Investor sentiment was also lifted by United Kingdom (U.K.) election results and Federal Reserve (Fed) communications.
- Economic data** was mixed overall this week, though it is notable that the Fed characterized the U.S. economy in more upbeat terms. The core Consumer Price Index, excluding food and energy prices, grew a manageable 2.3% year over year, while core producer price inflation fell to a three-year low. Holiday distortions drove a jump in weekly jobless claims that could soon reverse. Retail sales missed expectations, but rose 0.2% in November following an upwardly revised 0.4% increase in October.
- Global stocks** rose last week, led by emerging markets amid progress on trade and a weaker U.S. dollar. The MSCI EAFE Index of developed market stocks rose 0.4% through Thursday, led by Germany, France, and the U.K. European markets got a boost Friday following U.K. Prime Minister Boris Johnson’s convincing election victory. The MSCI Emerging Markets Index gained more than 2% over the first four days of the week, led by China, South Korea, and Taiwan.
- The Russell 2000 Index** of small cap stocks trailed the large cap stock benchmarks for the week after outperforming the prior two weeks. The growth style of investing outperformed value slightly on technology sector outperformance and weakness in real estate and utilities.

FIXED INCOME, CURRENCIES, AND COMMODITIES

Data as of: 12/13/19

Yield	Latest	EOW	EOQ	EOY
90 Day UST	1.54	1.53	1.88	2.45
2 Yr UST	1.61	1.61	1.63	2.48
10 Yr UST	1.82	1.84	1.68	2.69
30 Yr UST	2.25	2.29	2.12	3.02

Fixed Income*	Yield	% Return		
		WTD	QTD	YTD
US Agg	2.38	-0.16	-0.13	8.38
US Agg Govt.	1.85	-0.28	-0.88	6.77
US TIPS	2.04	-0.12	0.47	8.09
Munis	1.79	0.17	0.63	7.43
HY Munis	4.02	0.18	0.77	10.53
Inv. Grade	2.95	-0.12	0.57	13.84
High Yield	6.14	0.54	1.51	13.09
MBS	2.60	-0.05	0.34	5.96
Global Agg	1.48	0.04	-0.13	6.19
Intl. Treasuries	0.42	0.05	-1.73	8.15
JPM EMBI	5.17	1.18	2.04	11.15

Currencies & Commodities	Price	% Change		
		WTD	QTD	YTD
US Dollar	97.19	-0.52	-2.20	1.06
EUR/USD	1.11	0.51	2.00	-3.06
USD/JPY	109.35	0.71	1.17	-0.27
WTI Oil	59.79	1.00	10.58	31.67
Gold	1481	1.05	0.52	15.55
Copper	2.78	2.15	7.95	5.80

*Data as of 12/12/19

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.

- The 10-year U.S. Treasury yield** climbed to a one-month high on Thursday before dropping on Friday, as details of a U.S.-China trade agreement dampened risk appetite. The Bloomberg Barclays U.S. Aggregate Bond Index fell during the week through Thursday. Credit-sensitive fixed income outperformed, with emerging markets debt and high-yield corporate bonds leading returns.
- The U.S. dollar** fell for the second consecutive week as both the euro and British pound rallied amid U.K. elections and central bank meetings on both sides of the pond. **Oil** prices broached the \$60 per barrel mark on trade progress and last week's OPEC production cuts, before finishing the week just under that level.
- Industrial metals** outperformed precious metals, with **copper** delivering a second straight strong week to bring its two-week gain to more than 4%. **Gold** garnered support from a weak U.S. dollar and moved higher despite the market's preference for riskier assets. The price of gold has traded in a range of less than 3% over the past five weeks.
- Next week** the U.S. economic calendar will deliver preliminary December Markit Purchasing Managers' Index (PMI) data on Monday and industrial production on Tuesday. Housing data is on tap for Tuesday and Thursday, and the November update for the Leading Economic Index (LEI) will be released on Thursday. Revised Q3 2019 gross domestic product and consumer confidence will come out on Friday, December 20.
- Internationally**, investors will evaluate Eurozone manufacturing survey data on Monday, followed by a Eurozone inflation report on Wednesday and the Bank of Japan's policy decision on Thursday. November data from China is also expected next week, including capital investment, industrial production, and retail sales.

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