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RESILIENCE AMID OUTBREAK

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EQUITIES

Data as of: 2/14/2020

Index	Price	WTD%	QTD%	YTD%
DJIA	29398.08	1.02	3.01	3.01
S&P 500	3380.16	1.58	4.62	4.62
Nasdaq	9731.18	2.21	8.45	8.45
Russell 2000	1687.58	1.86	1.15	1.15
Russell 1000 Growth	1919.35	2.28	8.41	8.41
Russell 1000 Value	1362.13	1.02	1.07	1.07
Comm. Services	191.50	1.38	5.43	5.43
Cons. Disc.	1042.54	2.61	5.70	5.70
Cons. Staples	665.35	0.81	2.84	2.84
Energy	409.82	0.31	-10.22	-10.22
Financial Svcs	516.18	0.72	0.94	0.94
Health Care	1209.53	0.86	1.80	1.80
Industrials	712.80	1.08	3.66	3.66
Info. Tech.	1788.47	2.27	11.00	11.00
Materials	380.03	0.73	-1.51	-1.51
Real Estate	259.71	4.81	8.07	8.07
Utilities	356.33	2.43	8.52	8.52
MSCI EAFE*	2033.74	0.21	-0.06	-0.06
MSCI EM*	1106.07	1.34	-0.72	-0.72

* MSCI EAFE and MSCI EM values as of 2/13/20

- U.S. stocks** rose for the second straight week, setting more new record highs along way despite the threat of global economic disruption from the coronavirus outbreak. Encouraging commentary about the economic outlook from Federal Reserve (Fed) Chairman Jerome Powell and another generally well-received batch of earnings results helped offset news that reported coronavirus cases had increased.
- All four U.S. indexes we track posted solid gains during the week, led by the **Nasdaq Composite** and small cap **Russell 2000 Index**, which gained 2.2% and 1.9% respectively. The largest growth sectors—**consumer discretionary** and **technology**—both outperformed. The interest-rate sensitive **real estate** and **utilities** sectors outperformed with five straight daily gains despite little change in interest rates.
- This week’s **economic calendar** featured stable consumer inflation and mixed retail sales for January. The core consumer price index (CPI), excluding food and energy, rose 2.3% year over year, in line with the recent trends. Retail sales rose 0.3% in January, but “core” sales, excluding autos, gas, building materials, and food services, were unchanged.
- Emerging market stocks** gained 1.3% through Thursday’s close based on the MSCI Emerging Markets Index, reflecting continued confidence that the coronavirus outbreak would be contained soon. Gains were driven by China, Korea, and Taiwan, based on MSCI country indexes. Weakness in Japan weighed on developed-market stocks, which produced only a modest gain despite strength in the United Kingdom (UK). German stocks rose despite flat fourth quarter 2019 GDP.

FIXED INCOME, CURRENCIES, AND COMMODITIES

Data as of: 2/14/20

Yield	Latest	EOW	EOQ	EOY
90 Day UST	1.55	1.56	1.55	1.55
2 Yr UST	1.42	1.41	1.58	1.58
10 Yr UST	1.59	1.59	1.92	1.92
30 Yr UST	2.04	2.05	2.39	2.39

Fixed Income*	Yield	% Return		
		WTD	QTD	YTD
US Agg	2.09	-0.12	1.73	1.73
US Agg Govt.	1.59	-0.20	1.96	1.96
US TIPS	1.76	-0.08	1.69	1.69
Munis	1.51	0.02	1.71	1.71
HY Munis	3.60	0.06	2.55	2.55
Inv. Grade	2.64	-0.15	2.29	2.29
High Yield	5.90	0.46	1.11	1.11
MBS	2.29	0.00	0.83	0.83
Global Agg	1.30	-0.21	0.35	0.35
Intl. Sovereign	0.33	0.12	1.96	1.96
JPM EMBI	4.81	0.08	2.62	2.62

Currencies & Commodities	Price	% Change		
		WTD	QTD	YTD
US Dollar	99.12	0.44	2.83	2.83
EUR/USD	1.08	-1.01	-3.39	-3.39
USD/JPY	109.78	0.04	1.07	1.07
WTI Oil	52.07	3.48	-14.72	-14.72
Gold	1586	0.79	4.12	4.12
Copper	2.60	1.88	-7.01	-7.01

*Data as of 2/13/20

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** prices were mixed during the week as markets digested both positive and negative news on the coronavirus outbreak and supportive commentary from Fed Chair Powell. The 10-year U.S. Treasury yield ended the week flat at 1.59% as the yield curve maintained roughly the same shape. High-yield corporate bonds posted the best return through Thursday, finishing up 0.46%. Otherwise, there was little dispersion in returns, with all bond sectors we track posting returns within a range of plus or minus 0.2%.
- Gold, copper, and oil** rose during the week, with oil finally breaking a five-week losing streak, its longest run of negative returns since November 2018. Copper and oil have held above their respective 2019 lows to date. The **U.S. dollar** posted its fifth weekly gain in the past six weeks, helped by strong performance against the euro, which is now at its lowest rate versus the dollar since April 2017.
- Next week's **U.S. economic calendar** will bring key data points on inflation and housing, including housing starts, building permits, and producer prices, on Wednesday. Also on Wednesday, the core producer price index (PPI), excluding food and energy, is expected to rise 1.4% year over year, per Bloomberg consensus. The Conference Board's Leading Economic Index for January, which will be released on Thursday, is expected to increase 0.4% from December's level.
- Earnings season** continues next week with 53 S&P 500 companies slated to report quarterly results.
- Internationally**, Eurozone business confidence from the ZEW Survey, preliminary purchasing managers' surveys from Markit, and consumer inflation are on the economic calendar. In Japan, data on trade, machine orders, and consumer inflation will be released. In the UK, inflation and retail sales are on the docket. And in China, data highlights include loan growth, money supply, and foreign investment.

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