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# MORE HIGHS ON TRADE OPTIMISM

Jeffrey Buchbinder, CFA, *Equity Strategist, LPL Financial*

Callie Cox, *Senior Analyst, LPL Financial*

Scott Brown, CMT, *Analyst, LPL Financial*

## EQUITIES

Data as of: 11/15/2019

Index	Price	WTD%	QTD%	YTD%
DJIA	28004.89	1.17	4.04	20.05
S&P 500	3120.46	0.89	4.83	24.48
Nasdaq	8540.83	0.77	6.77	28.72
Russell 2000	1596.50	-0.15	4.80	18.39
Russell 1000 Growth	1699.00	1.52	5.83	29.24
Russell 1000 Value	1311.44	0.32	3.83	19.92
Comm. Services	177.63	1.34	6.20	27.99
Cons. Disc.	951.74	-0.24	0.47	21.78
Cons. Staples	629.27	0.85	-0.02	20.58
Energy	440.43	-1.28	0.75	3.86
Financial Svcs	493.22	-0.26	5.95	24.58
Health Care	1126.75	2.41	7.99	12.54
Industrials	692.36	0.57	5.72	27.70
Info. Tech.	1529.44	1.31	8.21	40.53
Materials	378.32	0.24	3.75	19.49
Real Estate	238.11	1.93	-2.25	23.79
Utilities	317.84	1.53	-3.24	18.33
MSCI EAFE*	1961.52	-0.69	4.02	17.34
MSCI EM*	1042.25	-2.11	4.27	10.41

\* MSCI EAFE and MSCI EM values as of 11/14/19

- U.S. stocks** rallied for the sixth consecutive week, notching more new record highs along the way. Late-week optimism surrounding trade provided most of the spark, as lead U.S. negotiators expressed confidence a “phase one” trade agreement with China could be reached soon. The S&P 500 has not dropped two consecutive days since October 7–8.
- Economic data** showed that consumers continue to spend, buoying healthy inflationary pressures and growth. The Consumer Price Index (CPI), which excludes food and energy prices, rose 2.3% year over year in October, slightly lower than September’s cycle-high 2.4% growth. Producer price growth continued to wane, but it has yet to materially weigh on companies’ end-pricing power. Retail sales rose a better-than-expected 0.3% in October, the measure’s seventh gain in eight months.

**International data** was mixed with Japan’s gross domestic product (GDP) unexpectedly slowing sharply while Germany narrowly avoided recession with 0.1% GDP growth in the third quarter.
- Global stocks** lagged behind domestic stocks last week despite optimism on trade and recent signs of stabilization in global economic growth. Emerging markets stocks lost ground on losses in Chinese stocks despite trade optimism. Losses in Japan weighed on the international developed stock market index.
- Growth stocks** outperformed value while small cap stocks lagged behind large caps, a return to 2019 trends. Falling interest rates boosted real estate and utilities while weighing on financials. Growth-oriented communication services, healthcare, and technology also performed well. **Energy** fell despite a slight rise in crude oil prices.

## FIXED INCOME, CURRENCIES, AND COMMODITIES

Data as of: 11/15/19

Yield	Latest	EOW	EOQ	EOY
90 Day UST	1.54	1.55	1.88	2.45
2 Yr UST	1.61	1.68	1.63	2.48
10 Yr UST	1.83	1.94	1.68	2.69
30 Yr UST	2.31	2.43	2.12	3.02

Fixed Income*	Yield	% Return		
		WTD	QTD	YTD
US Agg	2.32	0.61	-0.12	8.39
US Agg Govt.	1.77	0.76	-0.60	7.07
US TIPS	1.99	0.31	0.09	7.68
Munis	1.90	0.26	-0.10	6.64
HY Munis	4.10	0.36	-0.09	9.60
Inv. Grade	2.94	0.80	0.17	13.39
High Yield	6.36	-0.10	0.36	11.81
MBS	2.54	0.22	0.31	5.93
Global Agg	1.43	0.42	-0.33	5.97
Intl. Treasuries	0.34	0.22	-1.61	8.28
JPM EMBI	5.61	0.38	0.00	8.93

Currencies & Commodities	Price	% Change		
		WTD	QTD	YTD
US Dollar	97.99	-0.37	-1.39	1.89
EUR/USD	1.11	0.32	1.41	-3.62
USD/JPY	108.78	-0.36	0.65	-0.79
WTI Oil	57.80	0.98	6.90	27.28
Gold	1467	0.31	-0.37	14.52
Copper	2.64	-1.70	2.25	0.21

\*Data as of 11/14/19

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.

- U.S. fixed income** climbed and the 10-year U.S. Treasury yield fell from a three-month high amid a mixed bag of trade headlines midweek and falling yields internationally. Benign U.S. inflation data was expected and had little impact on bond yields. The Bloomberg Barclays U.S. Aggregate Index rose 0.6%, led by gains in investment-grade corporate bonds and Treasuries. All major fixed income sectors we track finished the week higher, though high-yield corporate bonds needed Friday's rally to get there.
- The U.S. dollar** edged lower on the week, while commodities were broadly mixed with precious metals outperforming industrial metals. **Gold** garnered support from a weaker dollar and lower interest rates, moving higher following last week's 3.7% slide. China-sensitive **copper** prices fell the most since September, consistent with weekly losses in Chinese stocks. It was a quiet week for **oil**, which hovered around \$57 per barrel for the second consecutive week.
- Next week**, investors in the United States will get housing data, minutes from the last Federal Reserve policy meeting, the Conference Board's Leading Economic Index (LEI), consumer confidence, and the Markit Services and Manufacturing purchasing managers' index (PMI) surveys. Finally, another 15 S&P 500 components will report earnings next week as third-quarter earnings season wraps up.

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