

Global stocks rallied in January off late December lows as investors put recession fears aside on positive news of ongoing negotiations aimed at resolving the trade war between the U.S. and China, a short-term agreement to end the government shutdown, and the U.S. Federal Reserve (Fed) reversing course on future rate hikes. The Dow Jones Industrial Average, NASDAQ Composite and S&P 500 indexes closed the month with solid positive returns. Bond investors benefited from the Fed's perceived pause. The Bloomberg Barclays U.S. Aggregate Bond Index returned 0.68% for the month as the 10-year U.S. Treasury yield fell to 2.63% by the end of January. Crude oil prices rebounded sharply during the month, aided by tightening supply due to sanctions against Venezuela going into effect and Saudi Arabia reducing output. West Texas Intermediate (WTI) crude ended the month up \$13 per barrel at \$58.44 per barrel.

The Q4 2018 corporate earnings reporting cycle is in full swing for U.S. markets with 46% of companies in the S&P 500® Index having reported results. Factset reports that these companies grew earnings per share by 12.4% for the quarter and revenue per share by 6.6%. Analysts expect 2019 to be another positive year for corporate earnings growth. They forecast that S&P 500 companies will grow earnings per share by 5.6% and revenue per share by 5.3% for the year.

Internationally, geopolitical tensions remain elevated due to concerns over global economic growth. The trade war between the U.S. and China is proving costly for both sides. However, increased negotiation activity has raised investor hope for a near-term resolution. Britain's parliament has rejected the negotiated Brexit agreement with the European Union. While this has increased uncertainty, it will likely lead to an extension of the deadline to make room for more negotiations.

### Reports, Speeches and Market Movers:

- Mon: U.S. Factory Orders, Eurozone Producer Price Index, Japan Purchasing Manager Index
- Tue: U.S. ISM Non-Manufacturing Index, Eurozone Retail Sales
- Wed: U.S. International Trade
- Thu: U.S. Jobless Claims, Japan Household Spending
- Fri: Canada Housing Starts

Index Returns (%)						
Index Returns are as of 01/31/2019	Level	1 Wk	1 Mo	QTD	YTD	1 Yr
S&P 500	2704	2.38%	8.01%	8.01%	8.01%	-2.31%
Dow Jones Industrial Average	25000	1.83%	7.29%	7.29%	7.29%	-2.19%
Russell 2000	1499	2.41%	11.25%	11.25%	11.25%	-3.52%
MSCI EAFE	1831	2.02%	6.57%	6.57%	6.57%	-12.51%
MSCI Emerging Markets	1049.93	3.00%	8.75%	8.75%	8.75%	-14.24%
BBg Barclays U.S. Agg. Bond	2068	0.63%	1.06%	1.06%	1.06%	2.25%
BBg Barclays U.S. Corporate High Yield	1996	0.90%	4.52%	4.52%	4.52%	1.73%
NASDAQ Composite	7282	2.96%	9.79%	9.79%	9.79%	-0.68%

Yields (%)			
	1/31/2019	12/31/2018	1 Yr Ago
2-Yr Treasury	2.46	2.49	2.14
10-Yr Treasury	2.63	2.68	2.71
30-Yr Treasury	3.00	3.01	2.93
BBg Barclays U.S. Aggregate Bond	3.15	3.28	2.97
BBg Barclays U.S. Corp High Yield	6.90	7.95	5.78

Commodities (\$)			
	1/31/2019	12/31/2018	1 Yr Ago
U.S. Dollar Index Spot Rate	95.58	96.17	89.13
Bbg Barclay Commodity Index	80.73	76.72	89.80
WTI	58.44	46.93	60.56
Natural Gas	2.81	2.94	3.00
Copper	6169	5965	7118
Gold	1321	1282	1345

Past Performance is No Guarantee of Future Results

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Indexes are unmanaged, do not incur fees or expenses, do not reflect any deduction for taxes, and cannot be purchased directly by investors.

(1) Price-weighted average of 30 actively traded Blue Chip stocks, primarily industrials, but also including other service-oriented firms; may be used as a benchmark for large cap stocks. (2) Widely recognized, unmanaged index representative of common stocks of larger capitalized U.S. companies. (3) Broad-based index of over 5000 companies, which measure all domestic, and non-U.S. based common stocks listed on the NASDAQ Stock Market, Inc. (4) Unmanaged index representing the performance of small-cap U.S. stocks. (5) Unmanaged index consisting of approximately 1,200 stocks in developed market countries outside of North and South America, and represents approximately 85 percent of the total market capitalization in those countries. (6) Unmanaged index of fixed rate investment grade securities with at least one year to maturity combining the Bloomberg Barclays U.S. Treasury Bond Index, the Bloomberg Barclays U.S. Government-Related Bond Index, the Bloomberg Barclays U.S. Corporate Bond Index, and the Bloomberg Barclays U.S. Securitized Bond Index.

The Bloomberg Barclays U.S. Aggregate Bond Index is an unmanaged index of fixed-rate investment-grade securities with at least one year to maturity, combining the Bloomberg Barclays U.S. Treasury Bond Index, the Bloomberg Barclays U.S. Government-Related Bond Index, the Bloomberg Barclays U.S. Corporate Bond Index, and the Bloomberg Barclays U.S. Securitized Bond Index.

The Bloomberg Barclays U.S. Corporate High-Yield Bond Index covers the universe of fixed rate, non-investment-grade debt from corporate sectors.

The S&P 500® Index is a widely recognized, unmanaged index representative of common stocks of larger capitalized U.S. companies.

The Russell 2000 Index is a widely recognized, unmanaged index representative of common stocks of smaller capitalized U.S. companies.

The MSCI EAFE Index is a widely recognized, unmanaged index representative of equity securities in developed markets, excluding the U.S. and Canada.

The MSCI Emerging Markets (EM) Index is an unmanaged market capitalization-weighted index of equity securities of companies domiciled in various countries.

The Index is designed to represent the performance of emerging stock markets throughout the world and excludes certain market segments unavailable to U.S.-based investors.

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