

# Market Review

May 31<sup>st</sup>, 2018

## INDEX LEVELS

		Month-End 05/31/18	Month-End 04/30/18	Year End 12/31/17
Domestic Stocks	DJ Industrial Avg.	24416	24163	24719
	S&P 500	2705	2648	2674
	NASDAQ	7442	7066	6903
	Russell 2000®	1634	1542	1536
Int'l Stocks	MSCI EAFE	1986	2044	2051
	MSCI Emerg. Mkt.	1121	1164	1158

## INTEREST RATES

	Month-End 05/31/18	Month-End 04/30/18	Year End 12/31/17
Fed Funds Rate Target	1.50 -1.75	1.50 -1.75	1.25-1.50
10-Yr Treasury	2.824	2.936	2.409
DJ Corporate	n/a	3.85	3.116
3-Month LIBOR	2.32	2.36	1.69
30-Yr Fix Mortgage	4.47	4.56	3.92
Prime Rate	4.75	4.75	4.5

## COMMODITY PRICES

	Month-End 05/31/18	Month-End 04/30/18	Year End 12/31/17
Gold	1300	1316	1306
Crude Oil	67.04	68.57	60.42
Gasoline	2.957	2.81	2.49
Natural Gas	2.952	2.763	2.953

## EQUITY STYLE RETURN

MTD	Val	Core	Grw	YTD	Val	Core	Grw
Large	0.59	2.55	4.38	Large	-1.93	2.19	6.23
Mid	1.09	2.27	3.74	Mid	-0.96	1.64	4.99
Small	5.82	6.07	6.30	Small	4.81	6.90	8.85

## NEWS

- Lured by the prospect of higher returns, some value investors are stepping outside their mandate and buying faster growing tech stocks, a move that could be costly should the economy start slowing.
- Howard Schultz to step down as Starbucks Chairman. He is credited for creating what the company calls a "third place" between home and work, and the white paper cups emblazing a green siren that was once considered a status symbol.
- Yields were buoyed by an upbeat assessment of the U.S. labor market and cooling turmoil in Europe closing the month at 2.824% which resulted in producing a total return of 1.28%. (Yields move inversely to prices).



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## ECONOMY

- Despite the blowback from Facebook's handling of user information in March, the tech heavy Nasdaq Composite enter record territory at the end of the month. The index is up 10% so far this year, outpacing the S&P 500 and Dow Jones Industrial Average.
- Oil prices have fallen 10% from a multiyear high in May as traders bet that the global production cuts that helped the curb oversupply will end. Saudi Arabia and Russia are expected to reach a deal to pump more crude after more than a year of curf backs.
- If last year in markets was all about strong returns, this year is about rising risks, both geopolitical and concerns about growth. The low volatility environment made it more profitable to invest without paying for the insurance against downswings in the markets, while now it may be prudent to carefully think about what might go wrong.

## TOTAL RETURN

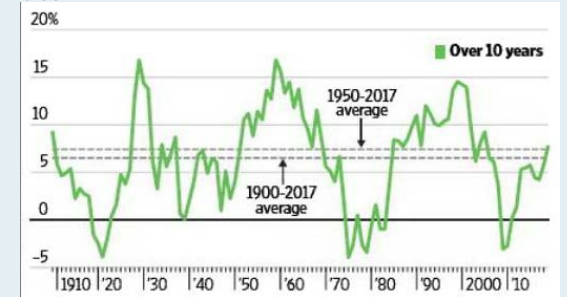
	Month to Date	Year to Date	1-Year	
EQUITIES	Russell 3000® (Broad US)	2.82%	2.55%	15.06%
	S&P 500 (Large Cap US)	2.41%	2.02%	14.38%
	ACWI ex-US (Broad Int'l)	-2.21%	-1.64%	10.19%
	MSCI EAFE (Devlpd. Int'l)	-2.11%	-1.19%	8.50%
	MSCI Emerging Markets	-3.52%	-2.52%	14.43%
FIXED INCOME	BC Aggregate Bond	0.71%	-1.50%	-0.37%
	BC US Universal	0.55%	-1.53%	-0.22%
	B of A ML 3-Month T-Bills	0.16%	0.67%	1.27%
	BC Treasury	0.90%	-1.10%	-0.83%
	BC US Corp. High Yield	-0.03%	-0.24%	2.35%
OTHER	Citi World Govt. ex-US	-2.30%	-0.47%	3.56%
	NAREIT Cmp (RealEstate)	3.55%	-2.69%	2.83%
	Bloomberg Commodity Trust	1.42%	3.62%	11.02%

## S&P SECTOR YEAR-TO-DATE



## CHART OF THE MONTH

Stocks in the Long Run: The annualized total return on U.S. Stocks has been better than the long-run average over the past decade, even with the Lehman crisis.



\*Latest CP data is April 2018. \*\*Data are represented on a logarithmic scale, which plots intervals in proportion to the changes in value. Sources: Elyse Dimson, Paul Marsh & Mike Staunton (return); Thomson Reuters Datastream (return, value of \$100)

THE WALL STREET JOURNAL

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