

Market Review

October 31, 2018

INDEX LEVELS

		Month-End 10/31/18	Month-End 09/30/18	Year End 12/31/17
Domestic Stocks	DJ Industrial Avg.	25116	26458	24719
	S&P 500	2712	2914	2674
	NASDAQ	7306	8046	6903
	Russell 2000®	1511	1697	1536
Int'l Stocks	MSCI EAFE	1815	1974	2051
	MSCI Emerg. Mkt.	956	1048	1158

INTEREST RATES

	Month-End 10/31/18	Month-End 09/30/18	Year End 12/31/17
Fed Funds Rate Target	2.00-2.25	2.00-2.25	1.25-1.50
10-Yr Treasury	3.155	3.055	2.409
DJ Corporate	n.a	4.15	3.116
3-Month LIBOR	2.56	2.4	1.69
30-Yr Fix Mortgage	4.89	4.74	3.92
Prime Rate	5.25	5.25	4.5

COMMODITY PRICES

	Month-End 10/31/18	Month-End 09/30/18	Year End 12/31/17
Gold	1212	1192	1306
Crude Oil	65.31	73.25	60.42
Gasoline	2.97	2.87	2.49
Natural Gas	3.261	3.008	2.953

EQUITY STYLE RETURN

	MTD	Val	Core	Grw	YTD	Val	Core	Grw
Large	-5.18	-7.08	-8.94	-8.94	Large	-1.46	2.67	6.62
Mid	-7.20	-8.31	-9.90	-9.90	Mid	-4.30	-1.47	2.16
Small	-8.95	-10.86	-12.65	-12.65	Small	-2.46	-0.60	1.11

NEWS

- The Federal Reserve passed a draft proposal for looser capital and liquidity requirements for large U.S. lenders. The proposal divides banks into four categories based on sized and other risk factors. The response from the banking community has been mixed, Chairman Powell has indicated that the most stringent requirements will remain for those posing the greatest risk.
- While Facebook's third quarter earnings report boosted the high flying technology stocks to end October, the S&P 500 still posted its worst month in seven years following a punishing period for global investors.
- The 10 Yr Treasury closed at 3.155% which resulted in producing a total return of -0.58% MTD. (Yields move inversely to prices).



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ECONOMY

- Private sector U.S. wages and salaries rose 3.1% from a year earlier in the third quarter which is the fastest rate rise in more than a decade indicating a tight labor market is paying dividends for more workers.
- The Treasury Department is boosting the size of its debt auctions to meet funding needs caused by swelling budget deficits and a shrinking Federal Reserve portfolio. The issuance of additional debt is testing investor appetite for U.S. government debt and demand appears to be holding up.
- For the average investor, additional anxiety was felt when a rare simultaneous drop in stock and bond prices pushed bond yields near their highest levels in years. The dual breakdown upended investor's traditional safety move of buying treasuries during times of volatility and left many with losses.

TOTAL RETURN

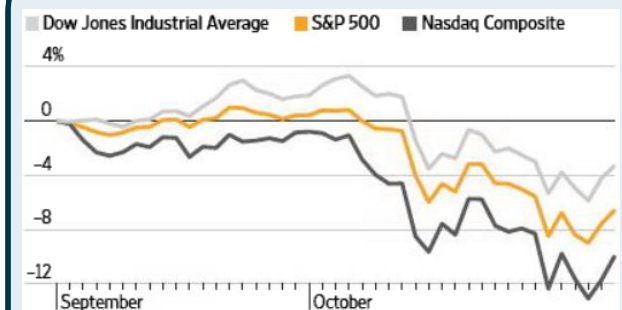
		Month to Date	Year to Date	1-Year
EQUITIES	Russell 3000® (Broad US)	-7.36%	2.43%	6.60%
	S&P 500 (Large Cap US)	-6.84%	3.01%	7.35%
	ACWI ex-US (Broad Int'l)	-8.12%	-10.58%	-7.80%
	MSCI EAFE (Devlpd. Int'l)	-7.95%	-8.86%	-6.39%
	MSCI Emerging Markets	-8.70%	-15.45%	-12.19%
FIXED INCOME	BC Aggregate Bond	-0.79%	-2.38%	-2.05%
	BC US Universal	-0.84%	-2.23%	-1.95%
	B of A ML 3-Month T-Bills	0.19%	1.54%	1.72%
	BC Treasury	-0.48%	-2.14%	-1.97%
	BC US Corp. High Yield	-1.60%	0.93%	0.97%
OTHER	Citi World Govt. ex-US	-1.45%	-4.50%	-2.26%
	NAREIT Cmp (RealEstate)	-2.59%	-0.75%	1.62%
	Bloomberg Commodity Trust	-2.16%	-4.14%	-1.73%

S&P SECTOR YEAR-TO-DATE



CHART OF THE MONTH

A Rocky Month – Index performance since Aug. 31.



THE WALL STREET JOURNAL

Market Review



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