

Market Review

May 31, 2019

INDEX LEVELS

		Month-End 5/31/19	Month-End 4/30/19	Year End 12/31/18
Domestic Stocks	DJ Industrial Avg.	24815	26593	23327
	S&P 500	2752	2946	2507
	NASDAQ	7453	8095	6635
	Russell 2000®	1465	1591	1349
Int'l Stocks	MSCI EAFE	1817	1921	1720
	MSCI Emerg. Mkt.	998	1079	966

INTEREST RATES

	Month-End 5/31/19	Month-End 4/30/19	Year End 12/31/18
Fed Funds Rate Target	2.25-2.50	2.25-2.50	2.25-2.50
10-Yr Treasury	2.139	2.505	2.684
DJ Corporate	3.568	n.a	4.343
3-Month LIBOR	2.50	2.58	2.81
30-Yr Fix Mortgage	4.03	4.18	4.60
Prime Rate	5.50	5.50	5.50

COMMODITY PRICES

	Month-End 5/31/19	Month-End 4/30/19	Year End 12/31/18
Gold	1306	1283	1278
Crude Oil	53.50	63.91	45.41
Gasoline	2.81	2.88	2.25
Natural Gas	2.454	2.575	2.94

EQUITY STYLE RETURN

	MTD	Val	Core	Grw	YTD	Val	Core	Grw
Large	-6.43	-6.37	-6.32	Large	8.45	11.05	13.68	
Mid	-6.42	-6.14	-5.75	Mid	10.56	13.55	17.81	
Small	-8.17	-7.78	-7.42	Small	6.67	9.26	11.76	

NEWS

- Trade wars persist with little progress, leading to heightened uncertainty, and increasing market volatility.
- The widely tracked JPMorgan Chase & Co's emerging market bond indexes have overstated yields for the past 18 months, boosting the allure to investors hungry for alternatives to low yielding developed country debt. This is an example of how unintended consequences from index makers' decisions can spread now that investors favor passive funds.
- The yield on the 10 Yr Treasury plummeted to fresh 2019 lows Friday on the executives branch threat to impose tariffs on all Mexican imports. The 10 Yr Treasury closed at 2.505%, which produced a total return of -0.68% MTD. (Yields move inversely to prices).



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TOTAL RETURN

	Month to Date	Year to Date	1-Year	
EQUITIES	Russell 3000® (Broad US)	-6.47%	10.92%	2.50%
	S&P 500 (Large Cap US)	-6.35%	10.74%	3.78%
	ACWI ex-US (Broad Int'l)	-5.26%	7.47%	-5.79%
	MSCI EAFE (Devlpd. Int'l)	-4.66%	8.05%	-5.26%
	MSCI Emerging Markets	-7.22%	4.19%	-8.34%
FIXED INCOME	BC Aggregate Bond	1.78%	4.80%	6.40%
	BC US Universal	1.53%	5.05%	6.41%
	B of A ML 3-Month T-Bills	0.21%	1.03%	2.31%
	BC Treasury	2.35%	4.22%	6.28%
	BC US Corp. High Yield	-1.19%	7.49%	5.51%
OTHER	Citi World Govt. ex-US	1.33%	2.22%	0.83%
	NAREIT Cmp (RealEstate)	0.18%	16.81%	15.32%
	Bloomberg Commodity Trust	-3.36%	2.31%	-12.37%

S&P SECTOR YEAR-TO-DATE

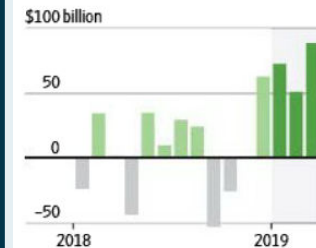


ECONOMY

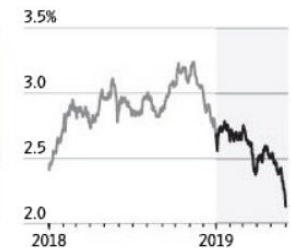
- During the quarter, a persistent strong dollar underpinned a rally in U.S. Government bonds and expectations are that the dollar's continued strength will put pressure on bond yields.
- The price of silver has fallen to its lowest level relative to gold in more than 26 years, signaling signs of slowing global growth as analysts use the relationship between the two metals to gauge momentum in the global economy.
- Factories are on track for their weakest showing this year since 2016. Manufacturing job growth has stalled since late last year, and output has fallen in three of the past four months as demand for business equipment and commodities weakens in the U.S. and abroad.

CHART OF THE MONTH

Foreign holdings of U.S. Treasuries, change from a month earlier



Yield on the benchmark 10-year Treasury note



THE WALL STREET JOURNAL

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