

November 2019 Market Watch

As 2019 nears its end, U.S. domestic equity markets ended higher in November, continuing last month's gains. Firstly, the S&P 500 gained +3.4% on the month and is up more than +25% year-to-date (YTD), setting the index up for its best year since 2013. Secondly, 3Q U.S. GDP grew at 2.1% (versus 2.0% last quarter) in spite of economic slowdown concerns looming. Business sentiment in November is also showing small signs of pickup in domestic manufacturing and services. Lastly, third quarter earnings ended with about 80% of companies beating estimates.

It has been a quiet month on the geopolitical front – not a lot of progress with the U.S.-China trade negotiations, but fortunately, also no escalation. In Europe, Christine Lagarde assumed her role as the President of the European Central Bank (ECB) and made her first speech. Central bank activity has also been relatively quiet. The Bank of England (BOE) kept rates steady while other major central banks remained quiet this month.

Looking ahead, the U.S. Federal Reserve will have their last FOMC meeting of the year on Dec 11. On Dec 15, a 15% tariff on Chinese exports to the U.S. will go into effect, unless trade negotiations move forward. In the U.K., general elections will be held on Dec 12, the first since 1923.

	Date	1 Week Ago		1 Month Ago		1 Year Ago		YTD
	11/30/19	11/23/19	% chg	10/31/19	% chg	11/30/18	% chg	Return*
DJIA	28,051.4	27,875.6	0.6%	27,046.2	3.7%	25,538.5	9.8%	20.3%
S&P 500	3,141.0	3,110.3	1.0%	3,037.6	3.4%	2,760.2	13.8%	25.3%
NYSE Comp Index	13,545.2	13,440.9	0.8%	13,171.8	2.8%	12,457.5	8.7%	19.1%
NASDAQ Composite	8,665.5	8,519.9	1.7%	8,292.4	4.5%	7,330.5	18.2%	30.6%
Russell 2000	1,624.5	1,588.9	2.2%	1,562.5	4.0%	1,533.3	6.0%	20.5%
MSCI EM (Emerging Markets)	1,040.0	1,048.5	-0.8%	1,042.0	-0.2%	994.7	4.6%	7.7%
MSCI EAFE	1,974.5	1,964.8	0.5%	1,955.5	1.0%	1,809.6	9.1%	14.8%
Japan Nikkei 225	23,293.9	23,112.9	0.8%	22,927.0	1.6%	22,351.1	4.2%	16.4%
FTSE 100	7,346.5	7,326.8	0.3%	7,248.4	1.4%	6,980.2	5.2%	14.1%
SSE Comp Index	2,872.0	2,885.3	-0.5%	2,929.1	-1.9%	2,588.2	11.0%	15.2%

US Equity Sector Performance

	Nov	YTD	1 Yr Ret.
Consumer Discretionary	1.3%	24.5%	14.0%
Consumer Staples	1.3%	24.7%	13.3%
Energy	1.8%	5.5%	-7.9%
Financials	5.0%	28.7%	14.2%
Health Care	5.0%	16.6%	6.6%
Industrials	4.5%	29.4%	15.6%
Information Tech	5.4%	43.8%	31.7%
Materials	3.2%	20.9%	12.6%
Communication Services	3.7%	30.1%	20.6%
Utilities	-1.8%	22.1%	17.2%
Real Estate	-1.9%	27.0%	17.6%

US Equity Style Performance

	Nov	YTD	1 Yr Ret.
Dow Jones Utilities	-1.8%	19.5%	14.8%
DJ TRANS Avg.	3.7%	20.2%	2.0%
Russell 1000 Value	3.1%	23.2%	11.3%
Russell 1000 Growth	4.4%	32.4%	21.0%
Russell 2000 Value	2.3%	18.3%	4.0%
Russell 2000 Growth	5.9%	25.6%	10.9%

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Major U.S. domestic equity indices closed in positive territory for a third month. From a sector standpoint, results were mixed. Info Tech (+5.4%), Financials (+5.0%) and Healthcare (+5.0%) led gains, while REITs (-1.9%) and Utilities (-1.8%) were the only losers in the month. All sectors remain positive year-to-date (YTD), as the S&P heads towards new highs.

Emerging Market (MSCI EM -0.2%) and Developed International Equities (MSCI EAFE +1.0%) underperformed their U.S. peers. The U.S.-China Phase One Trade Deal made little progress. Weak Chinese manufacturing and consumer data increased concerns in the region. And the ongoing Hong Kong protests continue to weaken the economy overseas, though local elections brought reprieve to the violent escalations for one weekend. President Trump also signed a bill signaling support for Hong Kong's protests at the end of the month.

U.S. Treasury prices fell in November, resulting in U.S. Treasury rates increasing across the board. The 10-Yr closed at 1.78% and 2-Yr at 1.60%. In Europe, German Bunds hit one-month lows while Italian and Spanish debt sold off on renewed political uncertainty.

The Bloomberg Commodity Index fell -2.7% MTD. Crude oil closed higher at \$55.17/barrel (+1.8%). Gold settled lower this month at \$1,465.60/ounce (-3.2%). Traders anticipate that the cartel and its allies will consider a deeper cut to 2020's crude supply to support prices at December's OPEC meeting.

Bond Markets (%)

	11/30/19	1 Mth Ago	1 Yr Ago
US Benchmark Bond - 3 Mth	1.58	1.55	2.36
US Benchmark Bond - 6 Mth	1.61	1.56	2.46
US Benchmark Bond - 2 Yr	1.60	1.52	2.82
US Benchmark Bond - 5 Yr	1.62	1.52	2.85
US Benchmark Bond - 10 Yr	1.78	1.69	3.01
US Benchmark Bond - 30 Yr	2.20	2.18	3.31

Commodities (In US dollars)

	11/30/19	1 Mth Ago	1 Yr Ago
Gold	1,465.60	1,514.80	1,226.00
Crude Oil	55.17	54.18	50.93
US Dollar Index	98.20	97.15	97.20
Bloomberg Commodity Index	77.11	79.24	82.56

US Bond Sector Performance

	Nov	YTD	1 Yr Ret.
Bloomberg Barclays U.S. Govt. Intrm. TR	-0.24%	5.23%	6.79%

Interest Rates (%)

	11/30/19	1 Mth Ago	1 Yr Ago
Prime Rate	4.75	4.75	5.25
Federal Funds Rate	1.56	1.60	2.18
Libor Rate 30 Day	1.70	1.78	2.35
Libor Rate 3 Months	1.91	1.90	2.74
30yr Fixed Mortgage	3.68	3.78	4.81

Exchange Rates (per US dollar)

	11/30/19	1 Mth Ago	1 Yr Ago
Canadian Dollar	1.328	1.314	1.329
Mexican Peso	19.506	19.172	20.346
Euro	0.907	0.896	0.883
British Pound	0.773	0.773	0.784
Swiss Franc	0.999	0.987	0.999
Chinese Yuan	7.027	7.035	6.944
Indian Rupee	71.738	70.929	69.695
Japanese Yen	109.510	108.105	113.550

Economic Sentiment

	11/30/19	1 Yr Ago
Unemployment Rate	3.60%	3.70%
Average Single Family Home	309,500	297,300
Capacity Utilization	76.70%	79.57%

*Performance for world indices represents price returns (excluding dividends) for the DJIA, S&P 500, NASDAQ, Russell 2000, MSCI EM, MSCI EAFE, NYSE, SSE, and Nikkei, due to data availability.

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