

# Weekly Market Update

October 29, 2018

## NEWS

- The Nasdaq suffered its worst drop in seven years last Wednesday, declining 4.4% as investors fled out of top performing technology stocks.
- Foreign buyers of U.S. treasury debt has dropped to 41%, their lowest share in 15 years as investors begin to price in higher debt levels
- The EU rejected Italy's budget, escalating a battle between Europe and Rome.
- The Fed's Beige Book report indicated that officials were optimistic about economic growth, but expressed concerns over building trade wars.
- Tesla reported third quarter earnings of \$1.75/share, exceeding expectations on higher Model 3 sales.
- Trump said the U.S. wont resume trade talks with China until Beijing comes up with a concrete proposal that addresses trade concerns.
- Altria is pulling its e-cigarettes from the market to combat underage use after the FDA warned of a public health crisis.
- Yields on Italian debt hit a 4 ½ year high of 3.6% as the government continued to clash with the EU over budget targets.

## ECONOMY

- U.S. GDP grew 3.5% in the third quarter powered by strong consumer spending which offset a slowdown in business investment.
- New home sales fell 5.5% in the September for the fourth month in a row as the housing market continues to cool off with higher borrowing rates.
- U.S. Consumer sentiment ticked down at the end of October to 98.6 from a previous reading of 99 on rising financial and political uncertainty.

INDEX LEVELS	Friday Close 10/26/18	Prior Week 10/19/18	Quarter End 9/30/18	Year End 12/31/17
Dow Jones 30	24,688	25,444	26,458	24,719
S&P 500	2,658	2,767	2,913	2,673
Russell 2000	1,483	1,542	1,696	1,535
NASDAQ	7,167	7,449	8,046	6,903

## BOND RATES

Fed Funds Target	2.25	2.25	2.25	1.50
2-Year Treasury	2.81	2.90	2.80	1.89
10-Year Treasury	3.08	3.20	3.06	2.41
1 Mo. LIBOR	2.30	2.28	2.24	1.56
1 Mo EURBOR	-0.41	-0.40	-0.40	-0.41
Bond Buyer Indx	4.23	4.28	4.14	3.87

## CONSUMER

Money Market	0.47	0.43	0.47	0.33
30Yr FxMortgage	4.90	4.93	4.78	3.92
Prime Rate	5.25	5.25	5.25	4.50

## COMMODITY

Gold	1,237	1,230	1,195	1,305
Crude Oil	67.52	69.37	73.52	60.10
Gasoline	1.81	1.91	2.09	1.78
NYMEX NatlGas	3.20	3.37	3.00	2.95

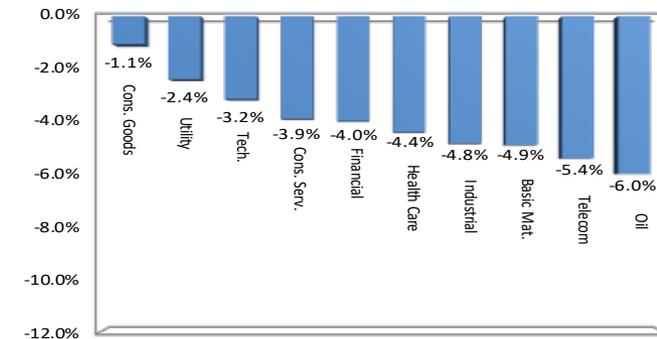
INDEX TOTAL RETURNS*	Month To Date	Year To Date	12-Month
S&P 500	-8.8%	-0.6%	3.3%
Dow Jones	-6.7%	-0.1%	5.7%
Russell 2000	-12.6%	-3.8%	-0.5%
NASDAQ	-10.9%	3.8%	6.5%
Nikkei 225	-12.2%	-6.9%	-3.8%
Shanghai Comp	-7.9%	-21.4%	-23.4%
German DAX	-8.5%	-13.3%	-15.3%
London FTSE	-7.6%	-9.7%	-7.3%

\*Returns as of 10/26/18

## Weekly Performance of Dow Jones U.S. Index



## DJ Industry Ranking by Weekly % Change



## CONTACT INFORMATION

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Index Price Levels: Reflects closing price level for each index as of stated date. Dow Jones Industrial 30: IDC; S&P 500 Index: IDC; Russell 3000 Index: Russell Investments; NASDAQ Comp: MSCI.

**Indexes are not available for direct investment.**

Chart of the Week: Source: Dow Jones

Market Returns: All data represent total return including the reinvestment of dividends for stated period except price-only S&P sector returns. Indices: MSCI – EAFE, MSCI – Emerging Markets; provided by: MSCI – gross official pricing. Indices: S&P 500 Index, S&P Sector Indices; provided by: Standard & Poor's. Index: DJIA; provided by Dow Jones. Indices: Russell 2500, Russell Midcap, Russell 2000; provided by Russell Investments. Index: Barclays Aggregate Bond; provided by Barclays Capital. Index: Citi WGBI ex-US; provided by Citigroup. Index: FTSE NAREIT Composite; provided by FTSE.

Bond Rates: Fed Funds Target, EcoWin; 2 Year Treasury, IDC; 10 Year Treasury, IDC; 1 Month LIBOR, British Bankers' Association; SIFMA Muni Swap, SIFMA; Bond Buyer Index, Bond Buyer Online.

Consumer Rates: 6 Month CD, Federal Reserve; 30 Year Mortgage, Mortgage Bankers Association (MBA); Prime Rate: Federal Reserve.

Commodities: Gold, EcoWin; Crude Oil (WTI), EcoWin; Gasoline, EcoWin. NYMEX National Gas, CME Group.

**DOW JONES INDUSTRIAL INDEX** - The DJIA serves to provide a clear, straightforward view of the stock market and, by extension, the U.S. economy. The 30 stocks now in the DJIA are all major factors in their industries and are widely held by investors. As of December 31, 2008, The Dow® represented 27% of the float-adjusted market capitalization of the Dow Jones U.S. TSM Index, which provides near complete coverage of the U.S. stock market..

**S&P 500 INDEX** - The S&P 500 Index is a capitalization weighted index comprised of 500 stocks chosen for market size, liquidity, and industry group representation. The S&P 500 Index is constructed to represent a broad range of industry segments in the U.S. economy. The S&P 500 focuses on the large-cap segment of the market with over 80% coverage of US equities.

**NASDAQ COMPOSITE INDEX**- The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe and is a subset of the Russell 1000® Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Index represents approximately 27% of the total market capitalization of the Russell 1000 companies.

**RUSSELL 3000® INDEX**- The Russell 3000 Index measures the performance of the small to mid-cap segment of the U.S. equity universe, commonly referred to as "smid" cap. It includes approximately 3000 of the smallest securities based on a combination of their market cap and current index membership.

**JAPAN NIKKEI 225 INDEX** – The Nikkei is a stock market index for the Tokyo Stock Exchange. It is a price weighted index, and the components are reviewed once a year. The Nikkei is the most widely quoted average of Japanese equities.

**SHANGHAI COMPOSITE INDEX** – The Shanghai Composite index is a market composite made up of all the A-shares and B-shares that trade on the Shanghai Stock Exchange. The index is calculated by using a base period of 100, the first day of reporting was July 15, 1991. The Shanghai Composite is a good way to get a broad overview of the performance of companies listed on the Shanghai exchange.

**GERMAN DAX INDEX** – The Deutscher Aktien Index, or DAX 30 is the blue chip market index for the Frankfurt Stock Exchange. It follows the top 30 German stocks on the electronic Xetra system that is used on the exchange. DAX indices are calculated using capitalization weighted index using the total return Laspeyres index for calculations.

**LONDON FTSE INDEX** – The FTSE 100 Index is a share index of the 100 most highly capitalized UK companies listed on the London Stock Exchange. The index is maintained by the FTSE Group, an independent company jointly owned by the Financial Times and the London Stock Exchange. Share prices in the FTSE are weighted by market capitalization, so that the larger companies make more of a difference to the index than smaller companies.

**CITI WGBI EX-US** - The Citigroup World Government Bond Index is a market capitalization weighted index consisting of the government bond markets excluding the US. Country eligibility is determined based on market capitalization and invest ability criteria. All issues have a remaining maturity of at least one year.

**FTSE NAREIT COMPOSITE** - The FTSE NAREIT US Real Estate Index Series is designed to present investors with a comprehensive family of REIT performance indexes that span the commercial real estate space across the US economy, offering exposure to all investment and property sectors.

**Past performance does not guarantee future results.**

**Diversification does not guarantee investment returns and does not eliminate the risk of loss.**

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The price of equity securities may rise, or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. International investing involves a greater degree of risk and increased volatility. Investments in commodities may have greater volatility than investments in traditional securities, particularly if the instruments involve leverage.