

June Market Monitor

- The S&P 500 posted its first monthly loss since December 2018, when it fell 9.03%.
- The Dow Industrials lost 6.32% last month, while the tech-heavy Nasdaq Composite sank 7.79%.
- The Bloomberg Commodity Index fell 3.36% in May, as crude oil plunged 16.3%.

The S&P 500 finished sharply lower in May, posting its first monthly loss this year with all three major U.S. equity indices recording their worst May performances since 2010. Stocks retreated and Treasuries rallied after U.S.-China trade negotiations stalled and the two nations escalated tensions with heightened tariffs and trade restrictions. Global growth concerns also intensified after President Trump sought to end the border crisis by announcing plans for 5% tariffs on Mexican imports effective June 10, rising to 25% by October unless Mexico halts illegal migrants traveling to the U.S. Meanwhile, despite tame inflation and slowing manufacturing activity, consumer confidence rose to a six-month high in May and a revision of first quarter U.S. GDP growth held above 3%, topping forecasts.

Mid cap stocks performed best last month, with the Russell Mid Cap Index (-6.14%) falling the least among large caps and the small cap-focused Russell 2000 Index. Among the 11 major sector groups, Real Estate was the sole gainer, while Energy and Technology suffered the largest losses. Meanwhile, all eleven sector groups remain positive for the year, with Real Estate, Technology, and Communication Services taking top honors. Developed markets excluding the U.S. and Canada outperformed Emerging Markets for a second month. Globally, the MSCI All-Country World Index excluding the U.S. fell 5.93% in May, cutting its year-to-date (YTD) gain to 9.08%.

As equities sold off, investors piled into traditional safe-havens including gold and Treasuries, with the yellow metal finishing May at a two-month high and long-term government debt prices soared. As yields fall prices rise. The yield on 10-year notes tumbled nearly 39 basis points last month, ending May at 2.13%, its lowest level since September 2017. Investment-grade bonds of all types posted a solid gain last month and state and local municipal bonds posted their seventh consecutive monthly gain. Non-investment grade high-yield corporate bonds retreated as risk appetites slumped, recording its first monthly loss since last December.

Top Performers – May 2019 ¹	Bottom Performers – May 2019
Real Estate (+1.16%)	Energy (-11.14%)
Utilities (-0.77%)	Technology (-8.69%)
Healthcare (-2.36%)	Materials (-8.18%)
Top Performers – YTD 2019	Bottom Performers – YTD 2019
Real Estate (+18.34%)	Healthcare (+1.34%)
Technology (+16.49%)	Energy (+3.53%)
Communication Services (+14.21%)	Materials (+4.97%)

¹ Morningstar Direct (all performance percentages are total return based, which include reinvested dividend, interest)

Additional risks are associated with international investing, such as currency fluctuations, political and economic instability, and differences in accounting standards. Affiliates and subsidiaries and/or officers and employees of Cetera Financial Group or Cetera Advisors LLC may from time to time acquire, hold or sell a position in the securities mentioned herein. Investment Advisor Representatives offering securities through Cetera Advisors LLC, Member FINRA/SIPC, a broker/dealer and Registered Investment Adviser. Petra Financial Solutions is not affiliated with Cetera Advisors. Petra Financial Solutions, Inc. 385 Regency Ridge Drive, Dayton, OH 45459.

This information is compiled by Cetera Financial Group. No independent analysis has been performed and the material should not be construed as investment advice. Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. All economic and performance information is historical and not indicative of future results. The market indices discussed are unmanaged. Investors cannot directly invest in unmanaged indices. Please consult your financial advisor for more information.



This report is created by Cetera Investment Management LLC. About Cetera® Investment Management Cetera Investment Management LLC is an SEC registered investment adviser owned by Cetera Financial Group®. Cetera Investment Management provides market perspectives, portfolio guidance and other investment advice to its affiliated broker-dealers, dually registered broker-dealers and registered investment advisers. About Cetera Financial Group® Cetera Financial Group ("Cetera") is a leading network of independent firms empowering the delivery of professional financial advice to individuals, families and company retirement plans across the country through trusted financial advisors and financial institutions. Cetera is the second-largest independent financial advisor network in the nation by number of advisors, as well as a leading provider of retail services to the investment programs of banks and credit unions. Through its multiple distinct firms, Cetera offers independent and institutions-based advisors the benefits of a large, established broker-dealer and registered investment adviser, while serving advisors and institutions in a way that is customized to their needs and aspirations. Advisor support resources offered through Cetera include award-winning wealth management and advisory platforms, comprehensive broker-dealer and registered investment adviser services, practice management support and innovative technology. For more information, visit cetera.com. "Cetera Financial Group" refers to the network of independent retail firms encompassing, among others, Cetera Advisors, Cetera Advisor Networks, Cetera Investment Services (marketed as Cetera Financial Institutions), Cetera Financial Specialists, First Allied Securities, and Summit Brokerage Services. All firms are members FINRA/SIPC. Disclosures The material contained in this document was authored by and is the property of Cetera Investment Management LLC. Cetera Investment Management provides investment management and advisory services to a number of programs sponsored by affiliated and non-affiliated registered investment advisers. Your registered representative or investment adviser representative is not registered with Cetera Investment Management and did not take part in the creation of this material. He or she may not be able to offer Cetera Investment Management portfolio management services. Nothing in this presentation should be construed as offering or disseminating specific investment, tax, or legal advice to any individual without the benefit of direct and specific consultation with an investment adviser representative authorized to offer Cetera Investment Management services. Information contained herein shall not constitute an offer or a solicitation of any services. Past performance is not a guarantee of future results. For more information about Cetera Investment Management, please reference the Cetera Investment Management LLC Form ADV disclosure brochure and the disclosure brochure for the registered investment adviser your adviser is registered with. Please consult with your adviser for his or her specific firm registrations and programs available. No independent analysis has been performed and the material should not be construed as investment advice. Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. The opinions expressed are as of the date published and may change without notice. Any forward-looking statements are based on assumptions, may not materialize, and are subject to revision. All economic and performance information is historical and not indicative of future results. The market indices discussed are not actively managed. Investors cannot directly invest in unmanaged indices. Please consult your financial advisor for more information. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability, and differences in accounting standards.

Glossary

The Bloomberg Barclays US Aggregate Bond Index measures the investment grade, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate debt securities, mortgage-backed securities (agency and non-agency) debt securities that are rated at least Baa3 by Moody's and BBB- by S&P. Taxable municipals, including Build America bonds and a small amount of foreign bonds traded in U.S. markets are also included. Holdings have at least one year until final maturity, but in practice have a fluctuating average life of around 8.25 years. Created in 1986, backfilled to 1976, the index is unhedged and rebalances monthly.

The Bloomberg Barclays US Municipal Bond Index measure the long-term tax-exempt bond market. The index has four main sectors: state & local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. Eligible bonds must be rated investment grade (Baa3/BBB- or higher) by Moody's and S&P and have at least one year until final maturity, but in practice the index has a fluctuating average life of around 12.8 years. This total return index is unhedged and rebalances monthly.

The Bloomberg Barclays US Corporate High Yield Index measures the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. Payment-in-kind and bonds with predetermined step-up coupon provisions are also included. Eligible securities must have at least one year until final maturity, but in practice the index holdings have a fluctuating average life of around 6.3 years. Created in 1986, with history backfilled to July 1, 1983 is unhedged and rebalances monthly.

The Bloomberg Barclays US Government Bond Index is comprised of the U.S. Treasury and U.S. Agency Indices. The index includes U.S. dollar-denominated, fixed-rate, nominal US Treasuries and US agency debentures (securities issued by US government owned or government sponsored entities, and debt explicitly guaranteed by the US government). This index is a component of the U.S. Government/Credit and U.S. Aggregate Indices, and eligible securities also contribute to the multi-currency Global Aggregate Index. The index was created January 1, 1973.

The Bloomberg Commodity Index is a broadly diversified index that allows investors to track commodity futures through a single, simple measure. It is composed of futures contracts on physical commodities and is designed to minimize concentration in any one commodity or sector. It currently includes 19 commodity futures in five groups. No one commodity can comprise less than 2% or more than 15% of the index, and no group can represent more than 33% of the index (as of the annual re-weightings of the components).

The MSCI EAFE measure the equity performance of developed markets (Europe, Australasia, Far East) excluding the U.S. and Canada. The Index is market-capitalization weighted.

The MSCI Emerging Markets is a market-capitalization weighted measure of equity market performance in global emerging markets.

The MSCI All-Country World Ex-U.S. Index is a market-capitalization weighted index that measures the equity performance of developed and emerging markets, excluding the U.S.

The MSCI ACWI consists of 45 country indexes comprising 22 developed and 23 emerging market country indexes. Developed country indexes include: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. Emerging market country indexes include: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe and is a subset of the Russell 3000 Index, representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The Russell 3000 Index measures the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The S&P 500 is a capitalization-weighted measure the performance of 500 stocks representing all major industries of the broad U.S. economy.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The index was invented by Charles Dow in 1896.

The NASDAQ Composite Index includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad-based capitalization-weighted index.

The U.S. Dollar Index measures the United States Dollar relative to a basket of major foreign currencies. The index, often carrying a USDX or DXY moniker, started in March 1973, with a value of 100. It has reached a February 1985 high of 164.720 and a low of 70.698 in March 2008.