W. James Steen, CFP®
jim@petrafin.com

Jason A. Pearson, CFP®
jason@petrafin.com

(O) 937.294.9000
www.petrafinancialsolutions.com

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- The S&P 500 posted its third consecutive monthly gain, reaching a new all-time high of 2,298 on January 26th, the day after the Dow Jones Industrial Average closed above 20,000 for the first time in history.
- The Dow rose the last 1,000 points to the 20,000 milestone in just 42 trading days, far less than the average of two years per 1,000 point gains since reaching 10,000 in 1999.
- Despite the record highs seen in the domestic equity indices, foreign stocks outpaced them.

All three major U.S. equity averages registered their first January gains since 2013. The S&P 500 ended the month with four days of declines, paring an otherwise solid January performance. Since the November 8th elections, equity averages have rallied on optimism over President Trump's pro-growth policies, including fiscal spending on infrastructure, corporate tax cuts and reduced regulations. However, gains have stalled recently, with investors stepping back from shares in financials, materials and industrial companies, the areas of the market that had rallied the most. Analysts point to recent mixed earnings and economic reports for the month-ending angst, while others note the global discord over the Trump Administration's move to temporarily restrict immigration from seven Middle East nations. With one-third of S&P 500 companies so far reporting fourth quarter earnings results, approximately 75% have topped analysts' profit forecasts, while around half have exceeded their sales projections. Earnings forecasts for all S&P 500 companies are projected to rise 4.7%. Yet, if long-run trends continue, fourth quarter earnings growth could climb over 8%, as actual results have historically topped initial estimates by an average of 3.6%.

Eight of the 11 major sector groups finished higher in January, led by Materials (+4.64%), Technology (+4.41%), and Consumer Discretionary (+4.24%). Energy (-3.6%) and Telecom (-2.48%) lagged the most last month. Energy shares, particularly oil & gas producers, declined as crude oil prices fell 1.7% in January amid rising domestic production levels that more than offset output cuts by OPEC member nations.

By market capitalization, mid cap stocks performed best in January, outperforming small and large cap shares. The Russell Mid Cap Index returned 2.41% last month, while the Russell 2000 Index, a measure of smaller-sized companies' share performance, rose just 0.39%. Growth stocks widely outperformed value stocks in January, with the Russell 1000 Growth Index up 3.37%, while the Russell 1000 Value Index returned just 0.71%.

The MSCI Emerging Markets Index surged 5.47% in January, far outpacing domestic equities. Emerging markets have benefited from the recent slide on the U.S. dollar, which has retreated to a 12-week low. The MSCI EAFE Index, a broad performance measure of global developed markets outside of the U.S. and Canada, also outperformed U.S. equities, gaining 2.90% last month.

Treasuries, as measured by the Bloomberg Barclays U.S. Government Bond Index, rose 0.23% in January. Prices on 10-year U.S. Treasury notes were little changed last month, sending its yield up only one basis point to 2.454%. The Bloomberg Barclays U.S. Municipal Bond Index gained 0.66% last month, while the Bloomberg Barclays U.S. Aggregate Bond Index, a broader measure of U.S. investment grade bonds, rose 0.20%. At the other end of the credit spectrum, the Bloomberg Barclays U.S. Corporate High Yield Index, a proxy for below investment grade corporate bonds, was the best performing domestic bond index, returning 1.45%.

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