

# September Market Monitor

- Economic growth fears from rising trade tensions sent the S&P 500 down over 2.5% on three sessions in August, the most in almost eight years.
- For the month, the Dow Industrials fell 1.32%, while the tech-heavy Nasdaq Composite lost 2.46%. The Dow trimmed its YTD gain to 15.14%, while the Nasdaq is up 20.89% for the year.
- Treasury 10-year yields ended the month at 1.50% and the yield on 30-year U.S. debt reached a new historical low (1.96%).
- Hurt by a strengthening U.S. Dollar, the Bloomberg Commodities Index fell 2.32% in August, trimming its YTD gain to 1.93%. Crude oil sputtered by 5.94%, while gold rallied 6.37%.

U.S. stocks struggled in August amid intense volatility caused by the ongoing trade dispute with China after President Trump and Beijing officials each announced escalating rounds of tariff increases. China retaliated against prevailing U.S. tariffs by initiating levies of its own that target \$75B in U.S. goods imported into China. President Trump responded that the U.S. would hike tariffs beginning September 1. Yet month-ending optimism for a restart in trade negotiations brought relief to whipsawed investors as China's Foreign Ministry said that American and Chinese trade negotiating teams are maintaining effective communications. Equities snapped four straight weekly declines, with all three major domestic indices posting their strongest week since June. Even so, the benchmark S&P 500 registered its first monthly loss since May, its second negative-performing month of the year.

Small cap equities suffered the biggest losses last month, with the Russell 2000 Index down nearly 5%, while the Russell Mid Cap Index declined 2.85%. Among the 11 major sectors, Utilities, Real Estate, and Consumer Staples were the only ones to post gains in August, with Utilities in top-performer status for the first time this year. Although Technology fell 1.48% in August, the sector retained its year-to-date (YTD) dominance, up 29.41%. Emerging markets fell nearly twice as much in August as developed markets excluding the U.S. and Canada. Globally, the MSCI All-Country World Index excluding the U.S. fell 2.46% last month, trimming its year-to-date (YTD) gain to 10.47%.

Amid the escalation in trade concerns, U.S. Treasuries and gold emerged among August's biggest winners. The Bloomberg Barclays US Government Index climbed 3.36%, its best return since a 3.39% gain in December 2008 in the midst of the financial crisis. Investment-grade bonds of all types trailed U.S. Treasuries, but outperformed relative to municipals and non-investment grade, high-yield corporate bonds.

Top Performers – August	Top Performers – YTD <sup>1</sup>
Utilities (+5.16%)	Technology (+29.41%)
Real Estate (+4.87%)	Real Estate (+28.49%)
Consumer Staples (+1.80%)	Consumer Discretionary (+21.42%)
Bottom Performers – August	Bottom Performers – YTD <sup>1</sup>
Energy (-8.07%)	Materials (+13.52%)
Financials (-4.85%)	Healthcare (+5.82%)
Materials (-2.83%)	Energy (+2.15%)

<sup>1</sup> Morningstar Direct (all performance percentages are total return based, which include reinvested dividends, 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. Glossary The Bloomberg Barclays Capital U.S. Aggregate Bond Index, which was originally called the Lehman Aggregate Bond Index, is a broad based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate debt securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS and CMBS (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. Eligible bonds must have at least one year until final maturity, but in practice the index holdings has a fluctuating average life of around 8.25 years. This total return index, created in 1986 with history backfilled to January 1, 1976, is unhedged and rebalances monthly. The Bloomberg Barclays US Municipal Bond Index covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds. Eligible securities 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 holding have 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 has a fluctuating average life of around 6.3 years. This total return unhedged index was created in 1986, with history backfilled to July 1, 1983 and rebalances monthly. The Barclays U.S. 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). The US Government 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 U.S. Government Index has an inception date of 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 reweightings of the components). The Cboe Volatility Index® (VIX®) is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. The MSCI EAFE is designed to measure the equity market 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 designed to measure equity market performance in global emerging markets. It is a float-adjusted market capitalization index. The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000 Value Index measures the performance of the large-cap value segment of the U.S. equity universe. It includes those Russell 1000 Index companies with lower price-to-book ratios and lower forecasted growth values 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 performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market. 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 Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies. The S&P BSE SENSEX Index is a free-float market-weighted index of 30 well-established and financially sound stocks on the Bombay Stock Exchange, representative of various industrial sectors of the Indian economy. The S&P 500 is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. 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 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 Shanghai Composite Index is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange. The U.S. Dollar Index is a weighted geometric mean that provides a value measure of 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, beginning with a value of the U.S. Dollar Index at 100.000. It has since reached a February 1985 high of 164.720, and has been as low as 70.698 in March 2008. West Texas Intermediate (WTI) is a crude oil stream produced in Texas and southern Oklahoma which serves as a reference or "marker" for pricing a number of other crude streams. WTI is the underlying commodity of the New York Mercantile Exchange's oil futures contracts. 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.