



Weekly Commentary

October 21, 2019

THE MARKETS

Last week was like an overstuffed suitcase that busts open on the baggage carousel. A lot was unpacked in a surprising and disorderly fashion.

There was some positive news for investors who prioritize fundamentals. Third quarter's earnings season – the period of time when companies let investors know how they performed during the previous quarter – got off to a strong start.

Fifteen percent of companies in the Standard & Poor's 500 Index have reported so far and 84 percent had earnings that beat analysts' expectations. *FactSet* said better than expected earnings from companies in the Healthcare and Financials sectors balanced the weaker performance of companies in the Energy sector.

There was some negative economic news, too.

In the United States, retail sales declined in September. It was the first monthly decline since February, reported *MarketWatch*, and analysts had expected an increase.

In China, gross domestic product growth was 6 percent year-over-year, the slowest growth rate since the 1990s, reported *Reuters*.

On the geopolitical front, *The Wall Street Journal* reported U.S. and European investors were cheered by news that Britain and the European Union (EU) had reached an agreement under which Britain could amicably exit the EU. That optimism was dashed on Saturday when Parliament withheld approval of the deal until all supporting legislation has been passed, reported *The Washington Post*.

The world was also rocked by Turkey's invasion of Syria.

At the end of the week, the Standard & Poor's 500 Index and Nasdaq Composite had held onto gains while the Dow Jones Industrials finished lower.

Data as of 10/18/2019	1 WEEK	YTD	1 YEAR	3 YEAR	5 YEAR	10 YEAR
Standard & Poor's 500 (Domestic Stocks)	0.5%	19.1%	7.9%	11.8%	9.4%	10.5%
Dow Jones Global ex-U.S.	1.2	10.8	4.2	4.5	2.0	2.0
10-year Treasury Note (Yield Only)	1.8	NA	3.2	1.8	2.2	3.4
Gold (per ounce)	0.7	16.3	21.8	5.8	3.7	3.7
Bloomberg Commodity Index	-0.2	2.5	-8.3	-3.1	-7.6	-5.4

Notes: S&P 500, DJ Global ex US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods. Sources: Yahoo! Finance, MarketWatch, djindexes.com, London Bullion Market Association. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

3597 Henry Street, Suite 202
Norton Shores, Michigan 49441
231.720.0743 Main
866.577.9116 Toll free



Michael A. Poland, CFA®
CEO & Founder
Wealth Advisor / Portfolio Manager



Melanie N. Meyer, RPSM
Wealth Advisor
Financial Planning



Sherri L. Balaskovitz
Director of Marketing
Team Leader



Caitlyn Mow
Director of First Impressions
and Client Services



Barb Pasco
Senior Client Services

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