

**Strategies Capital Management Weekly Economic & Market Update**

For the business week ending:

November 2, 2018

**Last Week in the Markets: Index Performance**

<u>Index Name</u>	<u>Asset Class</u>	<u>1 week</u>	<u>YTD</u>
<b>US Bonds</b>			
BBgBarc US Agg Bond	US Fixed Income	% change: -0.73%	% change: -2.65%
BofAML US Corp&Govt 1-3 Yr	Low Duration	% change: -0.14%	% change: 0.52%
BBgBarc US Treasury US TIPS	Inflation Protected	% change: -1.04%	% change: -2.70%
BBgBarc Municipal	Municipals	% change: -0.47%	% change: -1.28%
<b>Foreign Bonds</b>			
Citi WGBI NonUSD Hdg	Foreign Fixed Income (Hedged)	% change: -0.15%	% change: 1.38%
Citi WGBI NonUSD	Foreign Fixed Income (Un-Hedged)	% change: -0.48%	% change: -4.23%
JPM EMBI Plus	Emerging Market Debt	% change: 0.31%	% change: -6.22%
<b>US Equities</b>			
DJ US Total Stock Market	Total US Stock Market	% change: 2.75%	% change: 3.10%
S&P 500	US Large Cap Stock	% change: 2.45%	% change: 3.45%
Russell 2000	US Small Cap Stock	% change: 4.35%	% change: 1.82%
<b>Foreign Equities</b>			
MSCI EAFE	Foreign Large Cap Stock	% change: 3.36%	% change: -7.74%
MSCI EAFE Small Cap	Foreign Small Cap Stock	% change: 4.76%	% change: -9.30%
MSCI EM	Emerging Market Stock	% change: 6.09%	% change: -11.83%
<b>Alternatives</b>			
FTSE NAREIT All REITs	US Real Estate	% change: 0.78%	% change: -1.37%
FTSE EPRA/NAREIT Dvlp Ex US	Foreign Real Estate	% change: 0.85%	% change: -5.11%
Bloomberg Commodity TR USD	Commodities	% change: -1.26%	% change: -3.33%

**Last Week in the Markets: Summary/Events**

There was a big bounce-back last week. The S&P 500 finished up 2.5% and small-caps did even better with a gain of 4.4%. There were expectations of a rebound after the big sell-off in October, and positive economic news along with easing trade tensions contributed to this as well. The employment situation was part of this good news, as 250,000 jobs were created last month which surpassed expectations. The unemployment rate remains at 3.7%. This along with other market data is encouraging for the Fed's plan to continue to raise rates. The FOMC meeting will begin on Wednesday with an announcement following on Thursday. A rate hike is not expected, but we still feel as though we are on track for one in December. Welcome to November, and don't forget to vote!

**Economic Indicators**

	<b>New Update?</b>						
<b>Real GDP</b>	No	For the period:	Q3 2018	Current measure:	3.5%	Previous measure:	4.2%
<b>Consumer Confidence Index</b>	Yes	For the period:	Oct-18	Current measure:	137.9	Previous measure:	138.4
<b>Consumer Price Index</b>	No	For the period:	Sep-18	Current measure:	0.1%	Previous measure:	0.2%
<b>Producer Price Index</b>	No	For the period:	Sep-18	Current measure:	0.2%	Previous measure:	-0.1%
<b>Unemployment Rate</b>	Yes	For the period:	Oct-18	Current measure:	3.7%	Previous measure:	3.7%
<b>Δin nonfarm payrolls</b>	Yes	For the period:	Oct-18	Current measure:	250,000	Previous measure:	134,000

**This Week in the Markets: Upcoming Events**

<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>
> ISM Non-Mfg Index	> U.S. Midterm Elections	> EIA Petroleum Status Report > FOMC Meeting Begins	> Jobless Claims > EIA Natural Gas Report > FOMC Announcement	> Consumer Sentiment

 For more information on Strategies Capital Management, please go to: [www.strategiescm.com](http://www.strategiescm.com)

## Index Definitions

### **BBgBarc US Agg Bond TR**

The BBgBarc US Agg Bond TR is an index comprised of approximately 6000 publicly traded bonds including U.S. government, mortgage-backed, corporate and Yankee bonds with an average maturity of approximately 5-7 years. This index is weighted by the market value of the bonds included in the index.

### **BofAML US Corp&Govt 1-3 Yr TR**

The BofA Merrill Lynch US Corporate & Government Index tracks the performance of US dollar denominated investment grade debt publicly issued in the US domestic market, including US Treasury, US agency, foreign government, supranational and corporate securities with a final maturity less than three years.

### **BBgBarc US Treasury US TIPS TR**

The BBgBarc US Treasury US TIPS TR is a subset of the Global Inflation Linked-Index and is a rules-based, market value-weighted index that tracks inflation protected securities issued by the U.S. Treasury.

### **BBgBarc Municipal TR**

An unmanaged index considered representative of the tax-exempt bond-market.

### **Citi WGBI NonUSD Hdg**

The Citi WGBI NonUSD Hdg is a subset of the World Government Bond Index (WGBI) includes the 23 government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Malaysia, Mexico, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. This particular index excludes issuance denominated in the USD and hedges currency risk related to the USD.

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### **JPM EMBI Global TR**

The JP Morgan Emerging Market Bond Index tracks the total returns for debt denominated in foreign currencies and issued in emerging markets.

### **Dow Jones Total Market Index**

The Dow Jones Total Market Index is an index of over 5000 listed and unlisted stocks weighted by capitalization, including reinvested dividends, traded on the New York Stock Exchange, American Stock Exchange and Over the Counter.

### **S&P 500 TR**

The S&P 500 Composite Total Return is an unmanaged market capitalization weighted price index composed of 500 widely held common stocks listed on the New York Stock Exchange, American Stock Exchange and Over the Counter market. The index includes dividends reinvestments.

### **Russell 2000 TR**

The Russell 2000 Index offers investors access to the small-cap segment of the U.S. equity universe. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set. The Russell 2000 includes the smallest 2000 securities of the Russell 3000.

### **MSCI EAFE GR**

The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI EAFE Index consists of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

### **MSCI EAFE Small Cap GR**

The MSCI EAFE Small Cap Index is a subset of the MSCI EAFE Index, tracking the smallest 15% of the developed international small-cap market, excluding the United States and Canada.

### **MSCI EM GR**

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

### **FTSE NAREIT All REITs TR**

The FTSE NAREIT US Real Estate Index Series ("Index Series") is designed to provide the most comprehensive assessment of overall industry performance, and includes all tax qualified real estate investment trusts (REITs) that are listed on the New York Stock Exchange, the NYSE AMEX Equities or the NASDAQ National Market List.

### **FTSE EPRA/NAREIT Dvlp Ex US TR USD**

The FTSE EPRA/NAREIT Dvlp Ex US TR USD is an index which measures the general trends in eligible REITs worldwide, excluding REITs in the United States.

## Economic Indicators

### **Real Gross Domestic Product (GDP)**

Real GDP measures the output of goods and services produced by labor and property in the United States. The quarterly percentage is presented at an annualized rate and can be revised multiple times for the same quarter.

### **Consumer Confidence**

Consumer Confidence is a monthly survey of 5000 households which measures consumer evaluations of current economic conditions as well as expectations for future economic conditions. The index is benchmarked from the base year of 1985, which equals 100.

### **Consumer Price Index**

The Consumer Price Index measures the percentage change in price of a representative basket of consumer goods from one month to the next.

### **Producer Price Index**

The Producer Price Index measures the percentage change in price that producers receive for their products from one month to the next.

### **Unemployment Rate**

The unemployment rate is the number of unemployed people as a percent of the labor force.

### **Change in Non-farm Payrolls**

Non-farm payroll employment measures the number of jobs created or lost from month to month and excludes the farming industry due to its seasonal nature.