



C.W. O'Conner Wealth Advisors, Inc.

# Market Commentary

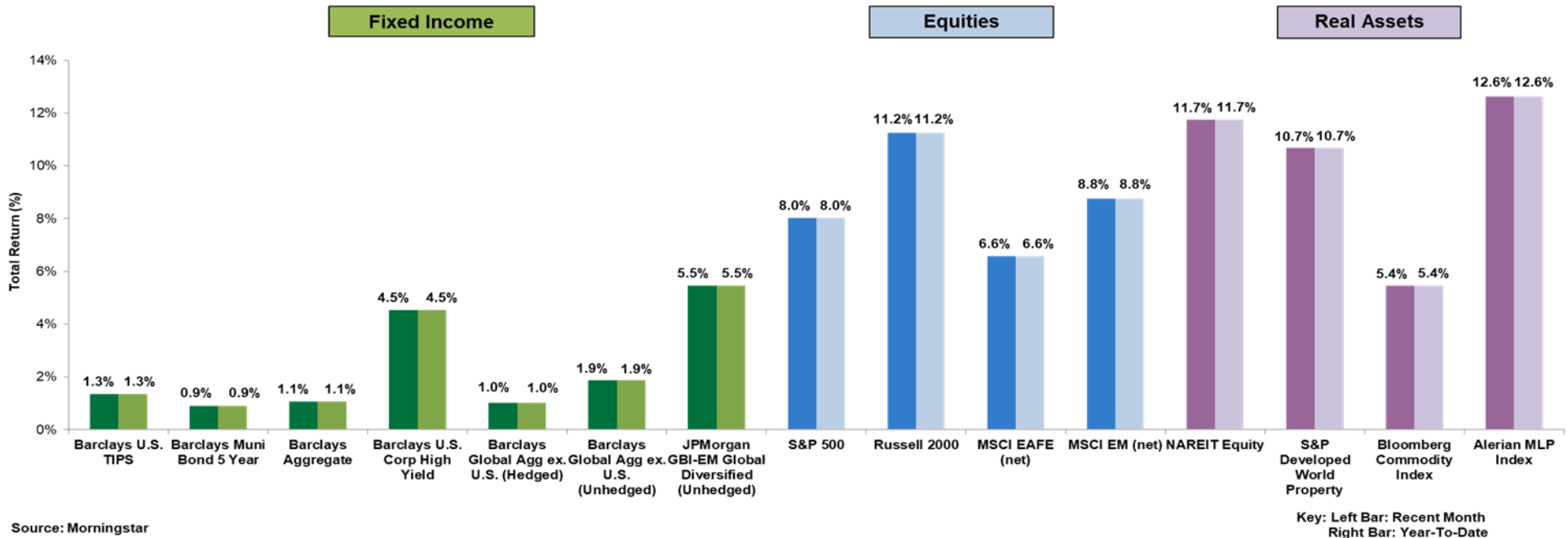
January 2019

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# Global Markets Summary

January 2019

## Asset Class Returns



### Fixed Income

- The 10-year U.S. Treasury yield ended flat for the month as investors closely watched developments in the partial government shutdown and U.S.-China trade relations.
- All fixed income sectors moved higher as spreads compressed along with falling benchmark yields.
- Emerging markets debt was the best performing fixed income sector with strong returns for both sovereign and corporate assets.

### Equities

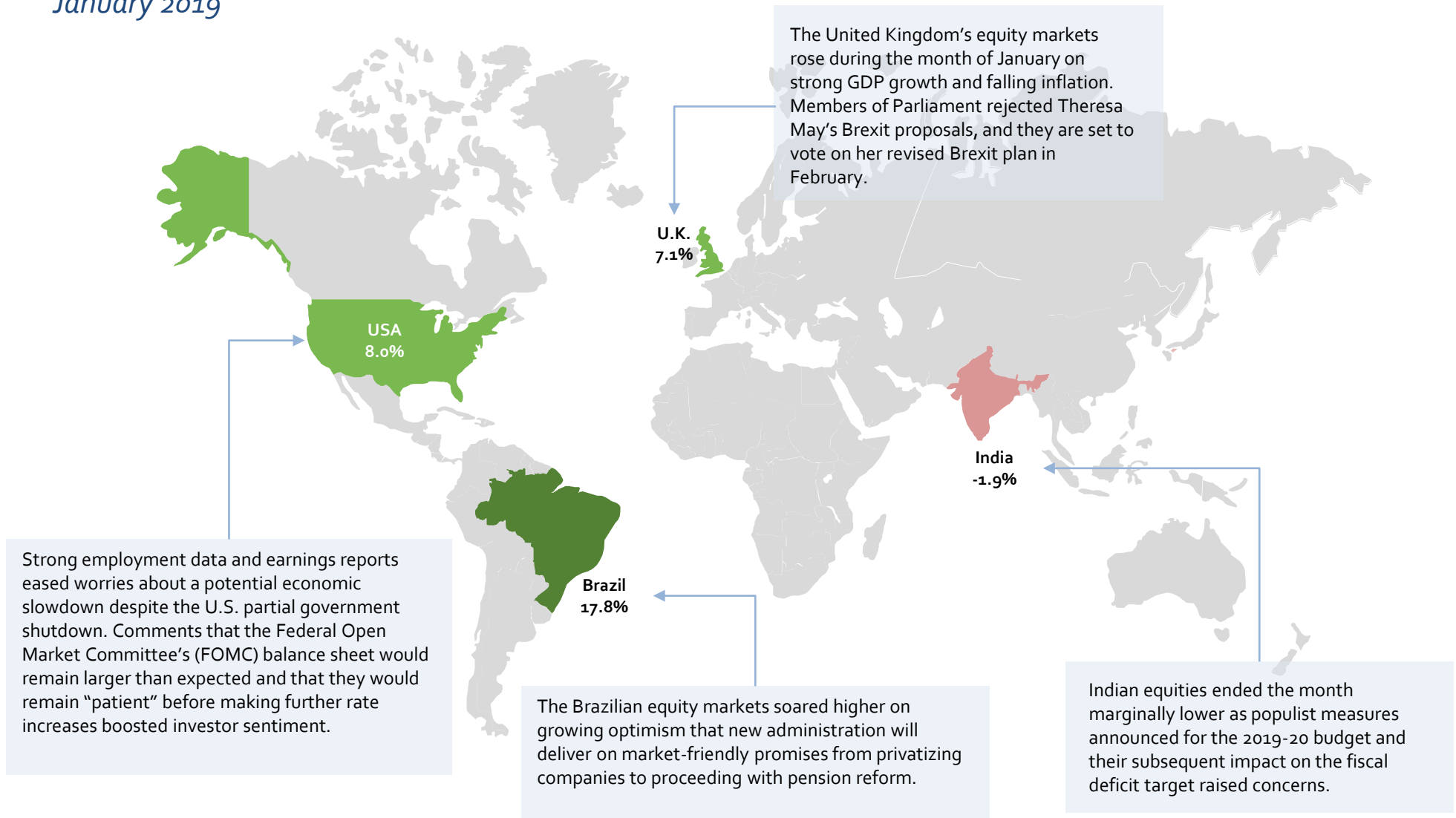
- U.S. equities started the year off positive on strong economic data, positive developments related to trade, and a temporary re-opening of the government.
- Growth broadly outperformed value during the month. Communication Services, Consumer Discretionary, Energy, Financials, Industrials, and Real Estate outperformed the broader index.
- Developed international equities rallied but their advance was muted by weak regional data, an Italian recession, and ongoing Brexit uncertainty.

### Real Assets

- REITs benefitted from attractive valuations, falling rates, and the "risk-on" sentiment across markets.
- Commodities were higher driven by an increase in energy prices and industrial metals, but were subdued by a decrease in livestock.
- MLPs were the best performing asset class in January as tailwinds from higher oil prices boosted returns.

# Global Highlights

January 2019



*Stated returns reflect each country's MSCI Gross Country Index in U.S. dollars*

# Financial Markets Performance

Total Returns as of January 31, 2019

Periods greater than one year are annualized

All returns are in U.S. dollar terms

<b>Global Fixed Income Markets</b>	<b>1 MO</b>	<b>3 MO</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Bloomberg Barclays 1-3-Month T-Bill	0.2%	0.6%	0.2%	1.9%	1.0%	0.6%	0.5%	0.4%	1.3%
Bloomberg Barclays US TIPS	1.3%	2.4%	1.3%	0.9%	2.1%	1.6%	0.7%	3.6%	3.8%
Bloomberg Barclays Municipal Bond (5 Year)	0.9%	2.7%	0.9%	2.8%	1.4%	2.0%	2.0%	2.9%	3.3%
Bloomberg Barclays HY Muni	0.7%	2.2%	0.7%	6.5%	5.8%	6.0%	5.8%	8.6%	5.5%
Bloomberg Barclays US Aggregate	1.1%	3.5%	1.1%	2.3%	2.0%	2.4%	2.1%	3.7%	3.9%
Bloomberg Barclays U.S. Corporate High Yield	4.5%	1.4%	4.5%	1.7%	9.4%	4.6%	6.2%	11.0%	7.2%
Bloomberg Barclays Global Aggregate ex-US Hedged	1.0%	2.6%	1.0%	4.6%	3.3%	4.0%	4.0%	4.2%	4.3%
Bloomberg Barclays Global Aggregate ex-US Unhedged	1.9%	4.2%	1.9%	(3.3%)	3.6%	0.2%	0.1%	2.4%	3.0%
Bloomberg Barclays U.S. Long Gov / Credit	2.2%	6.6%	2.2%	(0.5%)	4.1%	5.0%	3.8%	6.8%	6.1%
JPMorgan GBI-EM Global Diversified	5.5%	9.8%	5.5%	(5.3%)	7.7%	1.1%	(0.1%)	4.6%	6.3%
<b>Global Equity Markets</b>	<b>1 MO</b>	<b>3 MO</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
S&P 500	8.0%	0.3%	8.0%	(2.3%)	14.0%	11.0%	13.2%	15.0%	8.2%
Dow Jones Industrial Average	7.3%	0.1%	7.3%	(2.2%)	17.8%	12.4%	13.0%	15.0%	8.7%
NASDAQ Composite	9.8%	(0.0%)	9.8%	(0.7%)	17.8%	13.5%	15.9%	18.6%	9.8%
Russell 3000	8.6%	0.4%	8.6%	(2.3%)	14.2%	10.4%	13.0%	15.1%	8.3%
Russell 1000	8.4%	0.5%	8.4%	(2.2%)	14.1%	10.7%	13.2%	15.2%	8.4%
Russell 1000 Growth	9.0%	0.7%	9.0%	0.2%	16.6%	13.0%	14.6%	16.9%	9.2%
Russell 1000 Value	7.8%	0.3%	7.8%	(4.8%)	11.6%	8.3%	11.6%	13.4%	7.4%
Russell Mid Cap	10.8%	2.3%	10.8%	(2.9%)	13.3%	8.9%	12.2%	16.1%	9.4%
Russell Mid Cap Growth	11.5%	4.0%	11.5%	0.5%	15.6%	10.3%	12.9%	16.9%	9.5%
Russell Mid Cap Value	10.3%	1.1%	10.3%	(5.4%)	11.7%	7.9%	11.7%	15.4%	9.1%
Russell 2000	11.2%	(0.4%)	11.2%	(3.5%)	14.7%	7.3%	11.0%	14.5%	8.0%
Russell 2000 Growth	11.5%	0.1%	11.5%	(2.6%)	15.6%	7.8%	11.8%	15.7%	8.4%
Russell 2000 Value	10.9%	(0.9%)	10.9%	(4.5%)	13.8%	6.6%	10.2%	13.3%	7.4%
MSCI ACWI (net)	7.9%	1.8%	7.9%	(7.5%)	11.6%	6.7%	8.7%	11.3%	6.6%
MSCI ACWI ex. U.S. (net)	7.6%	3.7%	7.6%	(12.6%)	9.6%	3.1%	5.0%	8.3%	5.6%
MSCI EAFE (net)	6.6%	1.3%	6.6%	(12.5%)	7.7%	2.7%	5.9%	8.1%	5.1%
MSCI EAFE Growth (net)	-	-	-	-	-	-	-	-	-
MSCI EAFE Value (net)	6.7%	0.9%	6.7%	(13.7%)	8.1%	1.4%	5.2%	7.4%	4.6%
MSCI EAFE Small Cap (net)	8.1%	0.4%	8.1%	(15.6%)	9.4%	5.0%	8.8%	12.1%	7.5%
MSCI Emerging Markets (net)	8.8%	10.2%	8.8%	(14.2%)	14.9%	4.8%	2.9%	9.7%	8.3%
<b>Real Assets</b>	<b>1 MO</b>	<b>3 MO</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
FTSE NAREIT Equity REITs	11.7%	7.4%	11.7%	11.2%	8.0%	9.4%	9.2%	15.5%	8.7%
S&P Developed World Property ex-US	9.6%	10.2%	9.6%	(3.2%)	10.1%	6.3%	8.8%	12.0%	7.6%
S&P Developed World Property	10.7%	8.9%	10.7%	4.0%	9.1%	7.7%	9.0%	13.5%	8.0%
Bloomberg Commodity Total Return	5.4%	(2.4%)	5.4%	(8.2%)	2.7%	(7.9%)	(7.5%)	(2.7%)	(2.2%)
Alerian MLP	12.6%	1.2%	12.6%	(6.7%)	7.1%	(5.2%)	0.2%	9.3%	8.0%

Source: Morningstar

## Disclosures

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