



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

# Market Commentary

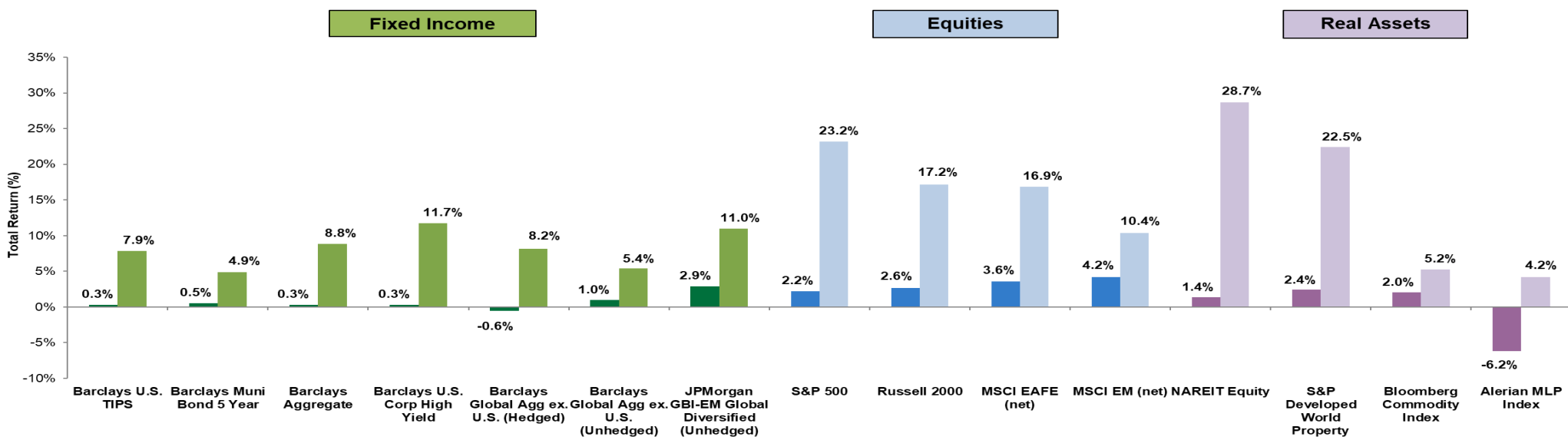
October 2019

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# Global Markets Summary

October 2019

## Asset Class Returns



Source: Morningstar

Key: Left Bar: Recent Month  
Right Bar: Year-To-Date

### Fixed Income

### Equities

### Real Assets

- U.S. Treasury yields rose marginally across longer maturities with the 10-year rate finishing at 1.69%. Shorter maturities fell, steepening the yield curve. Although yields at the close of the month modestly changed, volatility was significant with the 10-year rate exhibiting more than a 30-basis point range.
- Rising rates during the month muted domestic fixed income sector returns, despite the U.S. Federal Reserve's third rate cut since July.
- Unhedged international bonds outperformed hedged on U.S. dollar weakness. Emerging markets debt increased amid the risk-seeking environment.

- Domestic equities posted positive returns on strong corporate earnings and positive economic data.
- Growth broadly outperformed value during the month. Technology and health care led while utilities, industrials, and energy lagged.
- International equities advanced as a dovish European Central Bank and Brexit extension quelled investor anxiety. Emerging markets gained as investors sought risk assets.

- Commodity prices improved as precious metals rallied on expectations that the U.S. China trade war will continue beyond the 2020 election.
- Domestic and international REITs generated positive returns influenced by U.S. monetary easing and low interest rates globally.
- MLPs dragged sharply on interest rate volatility and general aversion to domestic energy stocks.

# Global Highlights

October 2019

United Kingdom equities gained as the European Union granted a three-month Brexit extension, calming fears of a “no-deal” outcome stemming from the prior October 31<sup>st</sup> deadline.

UK  
2.8%

Russia  
8.7%

USA  
2.2%

Russian stocks soared as attractive valuations and a buoyant ruble, combined with a rebound in crude oil prices, helped investors shrug off concerns of further U.S. sanctions that would jeopardize the economy.

U.S. equities gained on strong employment and corporate earnings, suggesting that the U.S. economy is holding steady amid continued concerns of global slowdown and falling manufacturing activity. The Federal Reserve voted to cut interest rates by 0.25 percentage points for the third time this year to cushion the economy against slowing growth spurred by the U.S. – China trade war.

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



# Financial Markets Performance

Total Returns as of October 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%	0.5%	1.9%	2.3%	1.5%	1.0%	0.7%	0.5%	1.3%
Bloomberg Barclays US TIPS	0.3%	1.2%	7.9%	9.0%	2.4%	2.3%	1.0%	3.4%	3.9%
Bloomberg Barclays Municipal Bond (5 Year)	0.5%	0.2%	4.9%	6.8%	2.5%	2.3%	2.2%	3.1%	3.4%
Bloomberg Barclays HY Muni	0.2%	2.4%	9.9%	11.6%	6.4%	6.1%	5.5%	7.2%	5.8%
Bloomberg Barclays US Aggregate	0.3%	2.4%	8.8%	11.5%	3.3%	3.2%	2.7%	3.7%	4.2%
Bloomberg Barclays U.S. Corporate High Yield	0.3%	1.0%	11.7%	8.4%	6.0%	5.2%	5.8%	7.8%	7.2%
Bloomberg Barclays Global Aggregate ex-US Hedged	(0.6%)	1.0%	8.2%	9.9%	4.3%	4.4%	4.4%	4.4%	4.5%
Bloomberg Barclays Global Aggregate ex-US Unhedged	1.0%	1.1%	5.4%	7.8%	2.3%	1.2%	0.2%	1.3%	2.9%
Bloomberg Barclays U.S. Long Gov / Credit	(0.1%)	5.8%	20.9%	26.0%	6.6%	6.3%	5.1%	7.5%	6.8%
JPMorgan GBI-EM Global Diversified	2.9%	1.1%	11.0%	15.6%	4.3%	0.8%	(0.0%)	2.7%	5.9%

<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	2.2%	2.4%	23.2%	14.3%	14.9%	10.8%	13.9%	13.7%	9.1%
Dow Jones Industrial Average	0.6%	1.3%	18.2%	10.3%	17.0%	11.9%	13.7%	13.6%	9.6%
NASDAQ Composite	3.7%	1.7%	26.1%	14.8%	18.2%	13.6%	17.1%	16.3%	11.2%
Russell 3000	2.2%	1.8%	22.7%	13.5%	14.5%	10.3%	13.6%	13.6%	9.1%
Russell 1000	2.1%	2.0%	23.1%	14.2%	14.7%	10.5%	13.8%	13.7%	9.2%
Russell 1000 Growth	2.8%	2.0%	26.8%	17.1%	18.9%	13.4%	16.0%	15.4%	10.5%
Russell 1000 Value	1.4%	1.9%	19.5%	11.2%	10.5%	7.6%	11.6%	12.0%	7.8%
Russell Mid Cap	1.1%	0.1%	23.2%	13.7%	12.3%	8.7%	12.9%	13.7%	9.8%
Russell Mid Cap Growth	1.9%	(1.1%)	27.6%	18.9%	16.8%	10.9%	14.5%	14.8%	10.4%
Russell Mid Cap Value	0.5%	0.9%	20.1%	10.1%	8.9%	6.9%	11.7%	12.9%	9.2%
Russell 2000	2.6%	(0.4%)	17.2%	4.9%	11.0%	7.4%	11.2%	12.3%	8.2%
Russell 2000 Growth	2.8%	(2.4%)	18.6%	6.4%	13.2%	8.4%	12.4%	13.4%	9.1%
Russell 2000 Value	2.4%	1.7%	15.5%	3.2%	8.6%	6.2%	9.9%	11.1%	7.3%
MSCI ACWI (net)	2.7%	2.4%	19.4%	12.6%	11.3%	7.1%	9.4%	8.8%	7.1%
MSCI ACWI ex. U.S. (net)	3.5%	2.9%	15.4%	11.3%	8.1%	3.8%	5.5%	4.9%	5.7%
MSCI EAFE (net)	3.6%	3.8%	16.9%	11.0%	8.5%	4.3%	6.5%	5.4%	5.3%
MSCI EAFE Growth (net)	3.6%	3.5%	22.2%	16.6%	10.6%	6.4%	8.0%	6.9%	6.3%
MSCI EAFE Value (net)	3.6%	4.1%	11.6%	5.5%	6.3%	2.1%	5.0%	3.8%	4.3%
MSCI EAFE Small Cap (net)	4.5%	4.8%	17.1%	8.8%	8.6%	7.4%	9.2%	8.1%	7.4%
MSCI Emerging Markets (net)	4.2%	1.0%	10.4%	11.9%	7.4%	2.9%	3.1%	3.8%	7.9%

<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	1.4%	7.9%	28.7%	23.7%	10.0%	8.5%	10.4%	13.7%	8.7%
S&P Developed World Property ex-US	3.7%	6.7%	19.0%	19.5%	8.8%	5.6%	6.6%	7.4%	6.7%
S&P Developed World Property	2.4%	6.9%	22.5%	20.2%	8.5%	6.2%	7.7%	9.3%	6.8%
Bloomberg Commodity Total Return	2.0%	0.8%	5.2%	(2.6%)	(0.7%)	(6.7%)	(7.4%)	(4.4%)	(3.1%)
Alerian MLP	(6.2%)	(10.8%)	4.2%	(6.4%)	(3.1%)	(9.0%)	(1.9%)	5.3%	6.8%

Source: Morningstar



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

655 Engineering Drive, Suite 110, Peachtree Corners, GA 30092  
(770) 368-9919 | cwoconner.com

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