

August 2018 Market Update

Key Takeaways

Since April, the U.S. equity market has dramatically outperformed overseas equity markets. Chart 1 below illustrates the difference. In the last 4 months, U.S. stocks outperformed ex-U.S. developed equity markets (EAFE) stocks by 13.5% and emerging market stocks by 18.6%.

Nearly every U.S. equity market index set an all-time high in late August, including the S&P 500, the S&P 1500 Composite, the Russell 2000, and the NASDAQ Composite. The one index that missed was the Dow Jones Industrial Average which remained 1.8% shy of its all time high.

While the U.S. stock market was setting new highs, overseas stock markets traded off. The MSCI EAFE developed markets index is off its all-time high by over 7% and the MSCI Emerging Markets index is off by over 14%.

Bonds had a good month in August with long Treasuries rallying 5-10 bps and the 30-year bond at 3.02%.

Real estate mimicked equity market performance with strong gains in August and over the past 3 months.

Table 1: Benchmark Index Performance as of August 31, 2018

Benchmark Index	1 Mo	3 Mo	YTD	2017
Domestic Equities (S&P 1500 Composite)	3.30%	7.65%	10.1%	21.1%
International Developed Equities (MSCI EAFE)	-1.93%	-0.74%	-2.3%	25.0%
Emerging Market Equities (MSCI EM)	-2.70%	-4.70%	-7.2%	37.3%
Fixed Income (Bloomberg Barclays US Aggregate)	0.64%	0.54%	-1.0%	3.5%
US Real Estate (S&P US REIT Index)	3.20%	8.31%	5.3%	4.3%
Global Equities (MSCI ACWI)	0.79%	3.26%	3.4%	24.0%

Chart 1: Equity Market Index Performance through August 31, 2018

