

September 2019 Market Update

Key Takeaways

Global equity markets posted modest gains in September while bonds posted small losses.

U.S. equity markets were up 2.0% in September, approaching all-time highs. Value stocks outperformed growth: the S&P 500 Value index was up 3.7% while the S&P 500 Growth index was up only 0.3%.

International developed markets ex-U.S. were up 2.9% and emerging markets up 1.9%.

Bond markets finished September 0.5% lower as Treasury yields rebounded higher off historic low yields. Real estate markets were up nearly 3% despite the rise in rates and finished very close to all-time highs.

In September the Federal Reserve cut rates 25 bps and the European Central Bank cut rates 10 bps and approved new Quantitative Easing purchases starting in November. Global economic indicators continue to point to an economic slowdown and a moderate recession is becoming more likely, led by a contraction in global manufacturing. The market shrugged off an attack on Saudi oil and the beginning of official impeachment proceedings.

Table 1: Benchmark Index Performance as of September 30, 2019

<i>Benchmark Index</i>	<i>1 Mo</i>	<i>3 Mo</i>	<i>YTD</i>	<i>5 Yr Ann</i>
Domestic Equities (S&P 1500 Composite)	1.98%	1.53%	20.18%	10.7%
International Developed Equities (MSCI EAFE)	2.87%	-1.07%	12.80%	3.3%
Emerging Market Equities (MSCI EM)	1.91%	-4.25%	5.89%	2.3%
Fixed Income (Bloomberg Barclays US Aggregate)	-0.53%	2.27%	8.52%	3.4%
US Real Estate (S&P US REIT Index)	2.84%	7.46%	25.45%	9.9%
Global Equities (MSCI ACWI)	2.10%	-0.03%	16.20%	6.7%

Chart 1: 2019 Market Index Performance

