

October 2019 Market Update

Key Takeaways

Global equity markets overcame a rocky start in October to post solid gains.

U.S. equity markets gained 2.1% in October, setting record highs. International developed markets added 3.6% and emerging markets picked up 4.2%. The U.S. stock market is now up 22.7% for 2019.

Bond markets managed a small 0.3% gain in October. The yield curve flattened as short-term rates dropped about 30 basis points but the longer end of the curve remained steady. The 10-yr Treasury ended at 1.69%. Real estate markets managed a decent 1.4% gain.

Economic reports in early October pointed to an economic slowdown and equity markets dropped in reaction. Then optimism over trade talks with China set in motion a strong rally. The FOMC dropped the Fed Funds rate 25 basis points on October 30th and signaled a temporary end to further rate changes.

The EU and the UK announced a Brexit agreement on October 17th but UK's Parliament decided they needed more time to approve that agreement. The EU agreed to extend Brexit to January 31, 2020.

Table 1: Benchmark Index Performance as of October 31, 2019

Benchmark Index	1 Mo	3 Mo	YTD	5 Yr Ann
Domestic Equities (S&P 1500 Composite)	2.10%	2.22%	22.70%	10.6%
International Developed Equities (MSCI EAFE)	3.59%	3.80%	16.86%	4.3%
Emerging Market Equities (MSCI EM)	4.22%	1.03%	10.35%	2.9%
Fixed Income (Bloomberg Barclays US Aggregate)	0.30%	2.35%	8.85%	3.2%
US Real Estate (S&P US REIT Index)	1.44%	7.56%	27.25%	8.1%
Global Equities (MSCI ACWI)	2.74%	2.41%	19.38%	7.1%

Chart 1: 2019 Market Index Performance

