



Index	Return		
	Close	Week	YTD
Dow Jones Industrial Average	28,051	0.6%	20.3%
S&P 500 Index	3,141	1.0%	25.3%
NASDAQ	8,665	1.7%	30.6%
Russell 2000 Index	1,624	2.2%	20.5%
MSCI EAFE Index	1,985	1.0%	15.4%
10-yr Treasury Yield	1.78%	0.0%	-0.9%
Oil (\$/bbl)	\$55.42	-4.1%	22.0%
Bonds*	\$112.86	0.0%	8.6%

Source: Bloomberg, 11/29/19

*Bonds represented by the iShares U.S. Aggregate Bond ETF

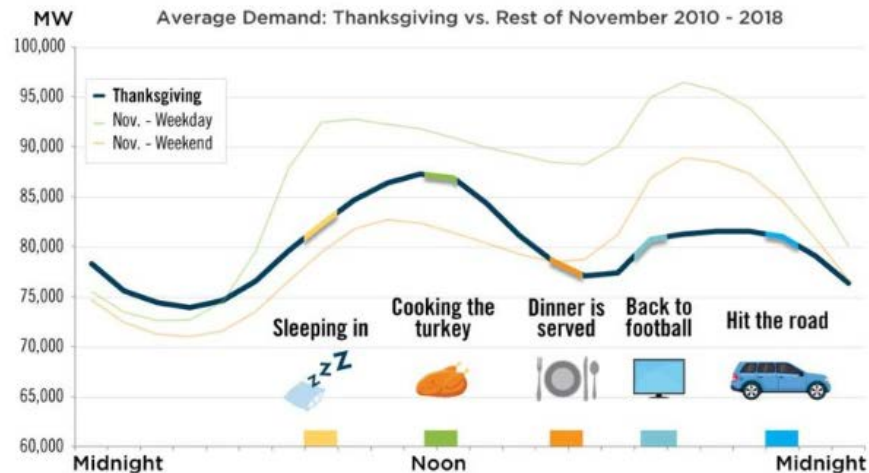
Last Week:

U.S. Equity Markets

- U.S. large cap equities (S&P 500 Index) rose 1.0% as growing optimism about a “phase one” U.S.-China trade deal and healthy U.S. economic data helped equities rally to all-time highs for the holiday-shortened week
 - Consumer discretionary (+1.8%) outperformed, boosted by a rise in **Amazon** (+3.3%) following early signs of favorable online holiday shopping trends. Ebay (+1.1%) is selling StubHub to Viagogo for \$4 billion, while LVMH (+2.2%) announced a deal to buy Tiffany & Co (+6.6%)
 - Information technology (+1.7%) outperformed with strength from **PayPal** (+6.1%), **Mastercard** (+3.4%), **Visa** (+2.8%), and Apple (2.1%). Apollo Group outbid Berkshire Hathaway to acquire Tech Data (+12.2%) for more than \$5B
 - Health care (+1.1%) outperformed with broad based strength, including Gilead Sciences (+3.0%), **Abbott Labs** (+2.0%), **Merck** (+2.0%), and **Abbvie** (+2.0%)
 - Consumer staples (+1.0%) outperformed with strength from Proctor and Gamble (+1.5%), Altria (+1.4%) and **Pepsi** (+1.3%)
 - Materials (+0.9%) underperformed with weakness in Dupont (-1.6%) and Dow (-1.5%), partially offset by strength in PPG Industries (+2.7%) and **Ecolab** (+2.3%)
 - Communication services (+0.8%) underperformed with weakness in **Comcast** (-1.5%), and AT&T (-1.0%)
 - Financials (+0.7%) underperformed with weakness in banks
 - Industrials (+0.3%) underperformed with weakness in GE (-2.4%) and Boeing (-1.4%)
 - Utilities (0.0%) underperformed as investors favored less defensive sectors
 - Energy (-1.6%) underperformed as the price oil fell -4.1% for the week



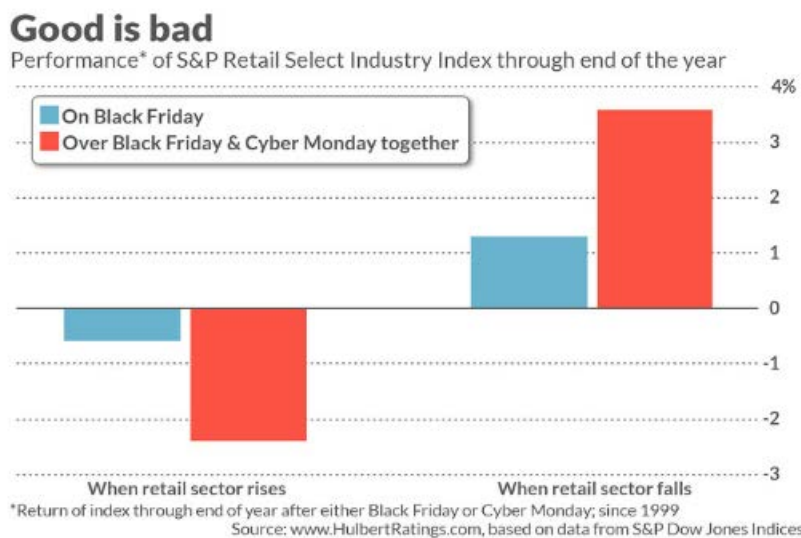
- A positive trade development occurred as China announced plans to develop new measures to protect against IP theft with a broader definition of IP theft and stiffer penalties, but President Trump's decision to sign a bill supporting human rights in Hong Kong drew criticism from China on Thursday, seemingly contributing to stocks ending the week on a modest down note
- An average Thanksgiving turkey requires 8 kilowatt hours of electricity to roast, roughly equivalent to playing video games for 55 hours, according to JPMorgan



A look at how Thanksgiving festivities skew power demand in the U.S. Source: PJM Interconnection LLC

Source: PJM Interconnection LLC

- Initial retail sales trends and retail equity performance appear positive during the holiday shortened week; however, historically, it's paid to do the opposite of whatever the Black Friday and Cyber Monday reports indicate



*Return of index through end of year after either Black Friday or Cyber Monday; since 1999
Source: www.HulbertRatings.com, based on data from S&P Dow Jones Indices

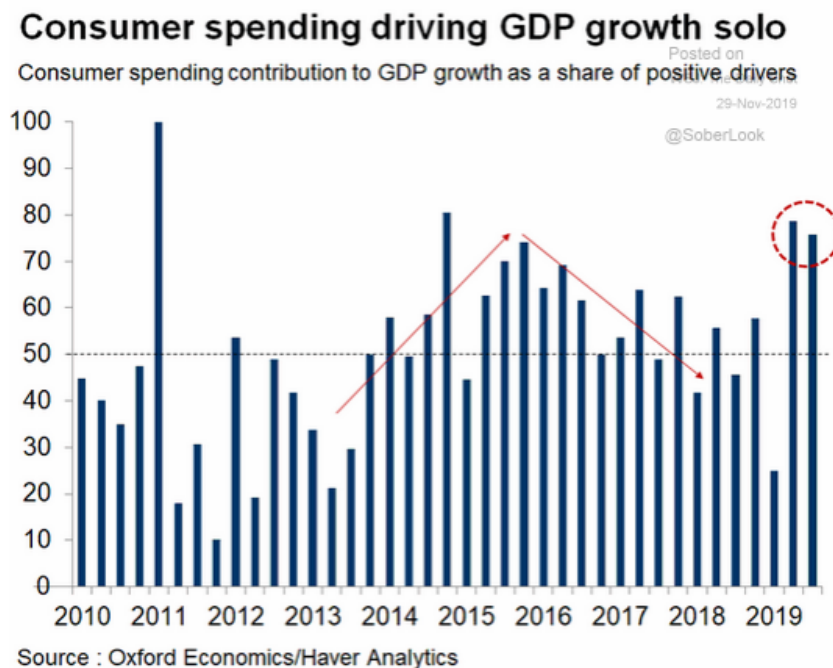
Source: www.HulbertRatings.com, based on data from S&P Dow Jones Indices



- Speaking of Black Friday, online sales totaled \$7.4 billion for the day, the second largest online day ever (last year's Black Friday topped \$7.9 billion), according to Adobe Analytics, with another \$9.4 billion expected for Cyber Monday

U.S. Economic and Political News

- New Home Sales edged lower by -0.7% in October to 733,000 annualized units, while September data got revised higher
- Fannie Mae and Freddie Mac said they will increase their conforming mortgage limits to \$510,400 nationwide and to \$765,600 in high-cost markets. These increases mark the fourth-straight annual upward revision, and reflect a 5.8% year-over-year gain in national home prices, based on FHFA data
- Durable goods orders rebounded unexpectedly in October
- The second reading of third quarter GDP was revised up from 1.9% to 2.1% as business investment declined less than previously estimated, and the consumer continues to support positive GDP growth



- The Conference Board's Consumer Confidence index dipped to 125.5 in November from 126.1 in October, marking the fourth straight monthly decline. November's result missed the 128.2 consensus forecast



Consumer confidence declines again

Confidence gauge falls fourth month in a row in November to 125.5 from 126.1



Source: The Conference Board

International Markets and News

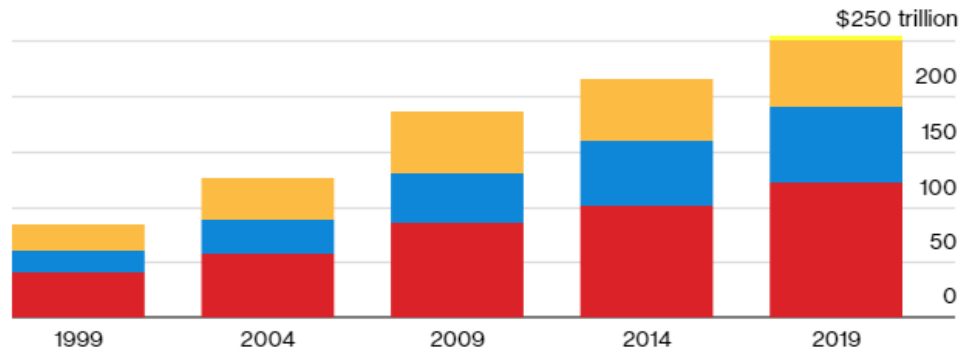
- European equities (STOXX Europe 600) rose 0.9% as ongoing hopes for a U.S.-China trade deal supported sentiment, the European Central Bank (ECB) had its first policy review in 16 years, and there was an improvement in Eurozone economic data with economic confidence data moving up to 101.3 from prior 100.8
 - The ECB appears set to establish an inflation goal of 2% instead of the “below, but close to 2%” aim, which may remove pressure to tighten policy as soon as inflation moves above 1.5%, and it may boost inflation expectations
- Chinese markets (Shanghai Composite Index) fell for a third straight week (-0.5%) as President Trump’s signing of a bill supporting the Hong Kong protesters drew displeasure from Beijing and complicated bilateral trade talks aimed at forging a partial trade deal between both countries
 - Industrial profits in China fell -9.9% in October, a third straight monthly drop, which was below expectations and an acceleration from September’s -5.3% decline
- Japanese equities (Nikkei 225 Index) rose 0.8% amid positive developments in the U.S.-China trade negotiations, partially offset by Japanese October factory output contracting more than expected, and the IMF cut Japan’s GDP growth forecast to 0.8% from 0.9% due to the global economic slowdown and weak demographics
 - The IMF believes that Japan’s economic growth will continue to slow next year to -0.5%, but that Japan will need to significantly raise tax revenue over time
- Global debt is on track to exceed \$255 trillion



New Record

Global debt on track to surpass \$255 trillion in 2019

■ Private non-financial sector* ■ General government ■ Financial sector
■ Projected debt accumulation in 2H 2019



Source: IIF, BIS, IMF

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Commodities

- The price of crude oil fell -4.2%, but oil remains up 22.0% in 2019 after collapsing in the second half of 2018



This Week:

- This week will see a slowdown in earnings reports. Notable releases include, but are not limited to: Coupa Software, Donaldson Company, Salesforce.com, Marvell Technology, Workday, Zscaler, Campbell Soup, Elastic, Five Below, Restoration Hardware, Smartsheet, Synopsys, Tyler Technologies, Slack, Dollar General, Kroger, Tiffany, Cloudera, Cooper Companies, CrowdStrike, Docusign, Guidewire Software, Okta Inc, PD, Ulta Beauty, Zoom Video Communications
- Abroad, the macro-economic calendar will see German Trade Balance, Japan Trade Balance, and Euro-zone CPI
- U.S. economic data:
 - Monday: Manufacturing PMI, ISM Manufacturing Index, Construction Spending
 - Tuesday: Domestic Auto Sales/Light truck/Light Vehicle (SAAR)
 - Wednesday: MBA Mortgage Purchase Applications, ADP Employment Report, Services PMI, ISM Non-Manufacturing Index
 - Thursday: International Trade, Factory Orders, Durable Orders, Trade Balance
 - Friday: Average Hourly Earnings, Average Weekly Hours, Nonfarm Payrolls, Unemployment Rate, Michigan Consumer, Wholesale Inventories, Consumer Credit, Wholesale Inventories (Oct), Consumer Credit

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Whitney Stewart, CFA®
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