



# WEEKLY MARKET MONITOR

ACWI ▼ -1.9% S&P ▼ -2.6% EAFE ▼ -1.9% EM ▲ 1.2% 10-Year Treasury 2.14%

May 31, 2019

## Global Investing Headlines

- The US will slap tariffs on Mexican goods on June 10 in an effort to staunch the flow of Central American migrants.
- In the European Union's (EU) parliamentary elections, traditional centrist parties lost their majority for the first time in decades. The next hurdle will be forming a new governing coalition, afterward they will choose the EU President.
- Israel will head back to the polls again in September after Prime Minister Netanyahu failed to form a coalition.
- Italy's Deputy Prime Minister Salvini threatened to end the coalition government unless his policy goals are passed.

## Review of Global Markets

- The proposed US tariffs on Mexico rattled already jittery markets, sending global stocks into negative territory for a fourth consecutive week. US stocks fell the most, while stocks in Canada and Mexico were also dragged down. Emerging markets managed to snap a three week losing streak thanks to gains in China and Brazil.
- US stocks extended their weekly losing streak to four, the longest weekly slide since October 2014. The sell off was broad-based, with all 11 of the S&P 500 sectors finishing in the red. Real estate was the top performing sector on the week, with technology and materials tying for the second spot. Energy was the biggest laggard on the week for the second consecutive week. Staples and financials rounded out the bottom three.
- Bond yields slid across the board for the fourth consecutive week. The 10-year US Treasury yield fell the most since June 2016, finishing the week at 2.14%. US core bonds and investment grade corporate bonds notched gains. Municipal bonds continued their eight week rally, while high yield corporate bonds slipped for a fourth week.
- The US Dollar Index managed to eke out gains, while the euro, yen and pound all finished the week lower.
- Commodities slid for the sixth week in the last seven. Agriculture jumped for a third week in a row, while energy had its worst week since February 2018. Precious metals had their best week since February as gold marched higher.

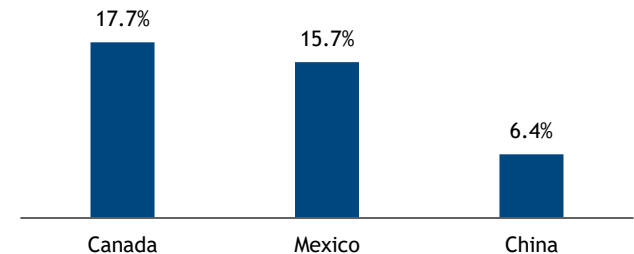
## Economic News

- First quarter gross domestic product (GDP) growth was revised to 3.1% on a seasonally-adjusted annualized basis, just ahead of the consensus estimate of 3.0% but below the previously reported 3.2% pace.
- Personal income surged 0.5% in April, the fastest pace in 2019, while personal spending rose 0.3%. The March spending figure was revised to 1.1%, from 0.9% and represents the fast monthly increase since 2008.
- The S&P/CoreLogic 20-City Home Price Index rose 2.7% from a year ago, slowing for the twelfth month in a row.

## Chart of the Week: Top US Export Markets

Canada and Mexico are the two largest destinations for US goods, combining to comprise more than one-third of total US exports during the first quarter 2019. China is a distant third.

Top US Export Markets  
First Quarter 2019 Percentage of Total Exports



Data Source: US Census, SunTrust IAG

## Economic Calendar: Week Ahead

		Prior	Consensus
Mon June 3	ISM Manufacturing Index Monthly US Vehicle Sales	52.8 16.40M	53.0 16.80M
Tue June 4	Factory Orders	1.9%	-1.0%
Wed June 5	ADP Employment Report ISM Services Index Federal Reserve Beige Book	275K 55.5 ---	183K 55.6 ---
Thu June 6	Initial Jobless Claims Nonfarm Productivity 1Q	215K 3.6%	215K 3.5%
Fri June 7	Nonfarm Payrolls Unemployment Rate	263K 3.6%	185K 3.6%

Data Sources: Bloomberg, Econoday

Securities and Insurance Products and Services: Are Not FDIC or any other Government Agency Insured | Are Not Bank Guaranteed | May Lose Value

Past performance is not indicative of future results. Please see Important Disclosures for additional information.

# WEEKLY MARKET MONITOR

## Performance Summary

Index % Total Return	Week	MTD	QTD	YTD	1 Yr
MSCI ACWI (net)	-1.89	-5.93	-2.76	9.08	-1.29
MSCI EAFE (net)	-1.87	-4.80	-2.13	7.64	-5.72
MSCI Emerging Markets (net)	1.24	-7.26	-5.30	4.09	-8.66
Dow Jones Industrials	-2.93	-6.32	-3.82	7.54	4.03
S&P 500	-2.58	-6.35	-2.56	10.74	3.77
NASDAQ Composite	-2.41	-7.93	-3.57	12.33	0.15
FTSE NAREIT All Equity REITs Index	-1.20	0.64	0.41	17.66	16.08
Bloomberg Commodity Index	-1.23	-3.36	-3.77	2.31	-12.32
Bloomberg Barclays Aggregate	0.92	1.78	1.80	4.80	6.38
BofA Merrill Lynch US High Yield	-0.56	-1.27	0.11	7.52	5.35
Bloomberg Barclays Municipal Bond Blend 1-15 Year	0.32	1.21	1.42	3.97	5.85
ICE BofAML Global Government x the US (USD Unhedged)	0.45	1.67	0.93	2.23	1.01
ICE BofAML Global Government x the US (USD Hedged)	0.47	1.35	1.27	4.16	6.60
JP Morgan GBI-EM Global Diversified Composite	0.60	0.30	0.12	3.04	0.34
Hedge Fund Performance (%)	Week*	MTD*	QTD*	YTD*	1 Yr*
HFRX Global Hedge Fund Index	-0.06	-0.65	0.01	2.60	-3.64
HFRX Equity Hedge Index	-0.55	-1.89	-1.23	4.66	-6.04
HFRX Macro	0.24	-0.24	0.91	0.03	-1.30
HFRX Absolute Return Index	0.04	0.02	0.31	0.87	-0.46

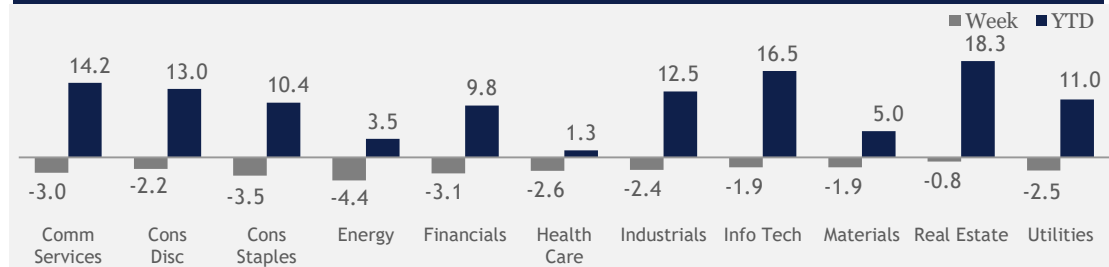
\* Through 5/30/19

### U.S. Style % Total Returns (Russell Indexes)

Week				YTD		
Value	Core	Growth		Value	Core	Growth
-3.02	-2.54	-2.08	Large	8.45	11.05	13.68
-2.60	-2.14	-1.51	Mid	10.56	13.55	17.81
-3.39	-3.18	-2.99	Small	6.67	9.26	11.76

Rates (%)	5/31/19	3/29/19	12/31/18	9/28/18	6/29/18
Fed Funds Target	2.50	2.50	2.50	2.25	2.00
Libor, 3-Month	2.50	2.59	2.80	2.39	2.33
T-Bill, 3-Month	2.34	2.39	2.44	2.18	1.91
2-Year Treasury	1.95	2.26	2.50	2.80	2.52
5-Year Treasury	1.93	2.24	2.50	2.94	2.72
10-Year Treasury	2.14	2.41	2.68	3.05	2.85
30-Year Treasury	2.58	2.82	3.01	3.19	2.98
Bloomberg Barclays Aggregate (YTW)	2.69	2.93	3.28	3.46	3.29
Bloomberg Barclays Municipal Bond Blend 1-15 Year	1.83	2.04	2.40	2.60	2.40
BofA Merrill Lynch US High Yield	6.75	6.40	7.94	6.24	6.39
Currencies	5/31/19	3/29/19	12/31/18	9/28/18	6/29/18
Euro (\$/€)	1.11	1.12	1.14	1.16	1.17
Yen (¥/\$)	108.58	110.68	109.72	113.59	110.77
Pound (\$/£)	1.26	1.30	1.27	1.30	1.32
Commodities	5/31/19	3/29/19	12/31/18	9/28/18	6/29/18
Crude Oil (WTI)	53.50	60.14	45.41	73.25	74.15
Gold	1,311	1,299	1,281	1,196	1,255
Volatility	5/31/19	3/29/19	12/31/18	9/28/18	6/29/18
CBOE VIX	18.71	13.71	25.42	12.12	16.09

### S&P 500 Sector % Total Returns



**Important Disclosures:** All information is as of title date unless otherwise noted. This document was prepared for clients of SunTrust Bank for informational purposes only. This material may not be suitable for all investors and may not be redistributed in whole or part. Neither SunTrust Bank, nor any affiliates make any representation or warranties as to the accuracy or merit of this analysis for individual use. Information contained herein has been obtained from sources believed to be reliable, but are not guaranteed. Comments and general market related projections are based on information available at the time of writing and believed to be accurate; are for informational purposes only, are not intended as individual or specific advice, may not represent the opinions of the entire firm and may not be relied upon for future investing. The views expressed may change at any time. The information provided in this report should not be considered a recommendation to purchase or sell any financial instrument, product or service sponsored or provided by SunTrust Bank or its affiliates or agents. Investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions. Past returns are not indicative of future results. An investment cannot be made into an index.

© 2018 SunTrust Banks, Inc.

## Index Definitions

Commonly used acronyms: SAAR = seasonally adjusted annual rate; MoM = month-over-month change; QoQ = quarter-over-quarter change; YoY = Year-over-year change; K = thousands; M = millions.

**S&P 500 Index** is comprised of 500 widely-held securities considered to be representative of the stock market in general.

**The CBOE Volatility Index® (VIX®)** is a measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

**MSCI ACWI Index (MSCI All Country World)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.

**MSCI EAFE Index** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

**MSCI EM Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

**Dow Jones Industrial Average** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an “as is” basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the “MSCI Parties”) expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

It is not possible to invest directly in an index.

SunTrust Private Wealth Management is a marketing name used by SunTrust Bank, SunTrust Banks Trust Company (Cayman) Limited, SunTrust Delaware Trust Company, SunTrust Investment Services, Inc., SunTrust Advisory Services, Inc., and GFO Advisory Services, LLC which are each affiliates of SunTrust Banks, Inc. Banking and trust products and services, including investment management products and services, are provided by SunTrust Bank and SunTrust Delaware Trust Company. Securities and insurance (including annuities) are offered by SunTrust Investment Services, Inc., a SEC registered broker-dealer, member FINRA, SIPC, and a licensed insurance agency. Investment advisory services are offered by SunTrust Advisory Services, Inc., a SEC registered investment adviser. GFO Advisory Services, LLC is a SEC registered investment adviser that provides investment advisory services to a group of private investment funds and other non-investment advisory services to affiliates.

© 2018 SunTrust Banks, Inc.  
CN2019-1454EXP12-2019