

# Capital Markets Flash Report

January 2020

## U.S. Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
S&P 500	0.0	0.0	21.7	14.5	12.4	14.0
Russell 1000 Growth	2.2	2.2	27.9	20.0	15.5	16.0
Russell 1000 Value	-2.2	-2.2	14.9	8.6	8.7	11.9
Russell Mid Cap	-0.8	-0.8	16.9	10.9	9.5	13.5
Russell Mid Cap Growth	0.9	0.9	22.6	16.4	12.2	14.8
Russell Mid Cap Value	-1.9	-1.9	13.0	6.8	7.5	12.5
Russell 2000	-3.2	-3.2	9.2	7.3	8.2	11.9
Russell 2000 Growth	-1.1	-1.1	13.9	11.5	9.6	13.4
Russell 2000 Value	-5.4	-5.4	4.4	3.1	6.7	10.3

The S&P 500 Index rallied over 3% through the first three weeks of 2020, only to give it back in the last week, finishing essentially flat for the month. A rise in reported cases of the Coronavirus sparked volatility in equity markets as investors began to contemplate the economic impact of the virus and revisit their outlook for global growth. Large-cap outperformed small-cap, with growth outperforming value across the entire market capitalization spectrum. From a sector standpoint, we saw a bifurcation of returns, with technology and health care producing strong positive absolute results, while the energy and materials sectors lagged with negative absolute returns.

## Fixed Income

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
BBgBarc US Agg	1.9	1.9	9.6	4.6	3.0	3.8
BBgBarc US Corp IG	2.3	2.3	14.5	6.6	4.5	5.6
BBgBarc US Corp HY	0.0	0.0	9.4	5.9	6.0	7.4
BBgBarc US Gov/Cr 1-3 Yr	0.6	0.6	4.2	2.3	1.7	1.5
BBgBarc US Gov/Cr Long	5.2	5.2	23.1	9.8	5.2	7.9
BBgBarc Municipal	1.8	1.8	8.6	5.1	3.5	4.5
FTSE WGBI USD	1.6	1.6	6.1	4.3	2.4	2.0
ICE BofAML US 3M T-Bill	0.1	0.1	2.2	1.7	1.1	0.6

U.S. bond markets were positive in January, with the Bloomberg Barclays Aggregate Bond Index returning a robust 1.9%. Rates generally fell across the curve, with the U.S. 10-year Treasury yield ending the month at 1.52%, down 40 basis points from the December close. Declining interest rates were a tailwind during the month, more than offsetting the impact from spread widening within the corporate space. Investment grade and high yield bond spreads widened 9 and 54 basis points, respectively. Global bonds also performed well during the month, with the FTSE WGBI Index returning 1.6%.

## International Equity

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
MSCI ACWI Ex USA	-2.7	-2.7	9.9	7.6	5.0	5.2
MSCI EAFE	-2.1	-2.1	12.1	7.8	5.1	5.8
MSCI EAFE Growth	-0.6	-0.6	19.5	11.4	7.3	7.3
MSCI EAFE Value	-3.6	-3.6	4.9	4.2	2.8	4.1
MSCI EAFE Small Cap	-2.9	-2.9	12.3	8.6	8.2	8.5
MSCI EM	-4.7	-4.7	3.8	7.9	4.5	3.8
MSCI EM Small	-4.0	-4.0	1.6	3.7	1.8	2.9

International equities were negative during the month, with the MSCI ACWI ex U.S. Index returning -2.7%, lagging most domestic equity indexes. Style trends abroad were consistent with domestic trends, with large-cap outperforming small-cap and growth besting value. Emerging markets lagged developed markets during the month, as volatility concerning global growth hit these regions hardest. Additionally, a strengthening dollar was a headwind for international developed and emerging markets in the month, as investors gravitated to the dollar's perceived safety.

## Commodities & Real Estate

	MTD	YTD	1 Year	3 Years	5 Years	10 Years
Bloomberg Commodity	-7.4	-7.4	-5.4	-3.5	-4.7	-4.7
S&P N.A. Natural Resources	-8.3	-8.3	-4.3	-4.6	-2.4	1.2
FTSE Nareit Equity REITs	1.2	1.2	14.1	8.5	6.1	12.7
FTSE EPRA Nareit Developed	0.9	0.9	11.9	9.4	5.7	10.0

Commodities and natural resource equities performed poorly in January, returning -7.4% and -8.3%, respectively. Conversely, REITs produced modest positive returns, as declining interest rates provided a nice backdrop for the asset class. Oil prices rose to start the month, as unrest in the Middle East surrounding the killing of Iranian General Qassem Soleimani spurred supply uncertainty. Prices then proceeded to fall throughout the month, as Iran's retaliatory response was less significant than expected, and the Coronavirus sparked concerns over global oil demand.

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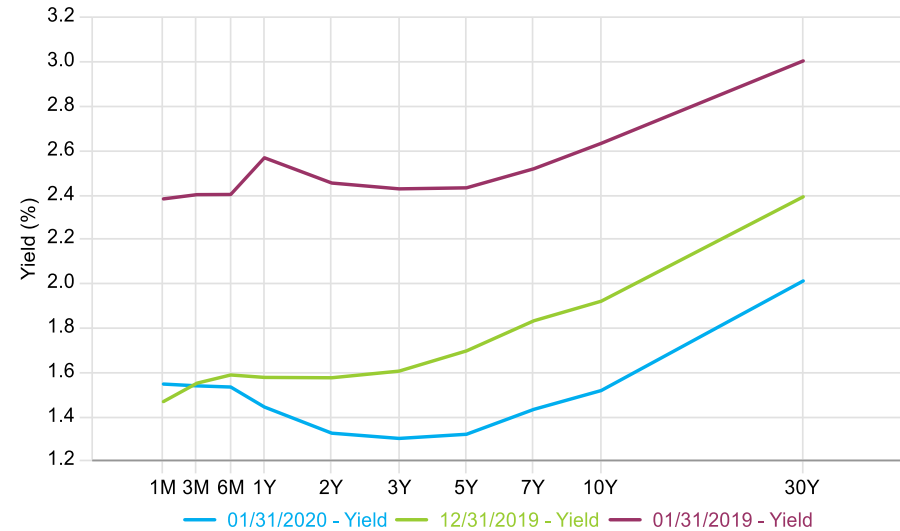
## S&P 500 Price History - Trailing 1 Year

01/31/2019 - 01/31/2020



FactSet, S&P

## United States Treasury Yield Curve



FactSet

## Barclays Corporate Option Adjusted Spread - Trailing 1 Year

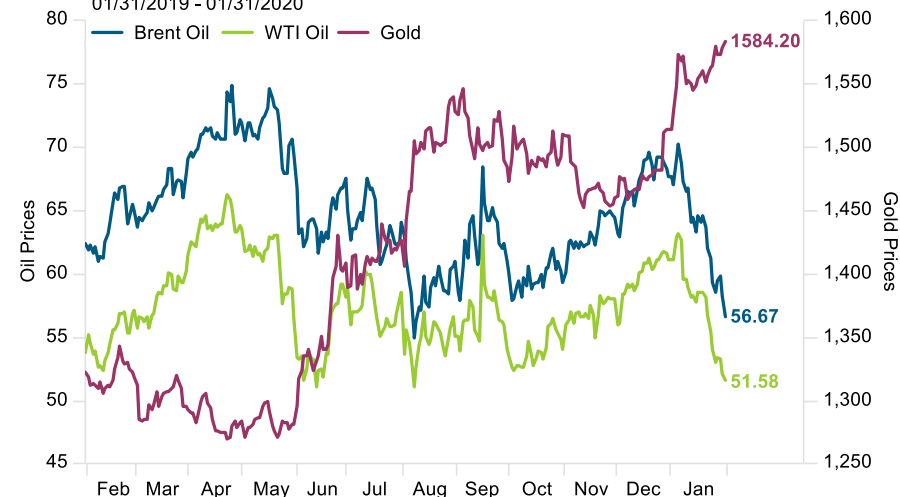
01/31/2019 - 01/31/2020



FactSet, Bloomberg Barclays

## Commodity Prices - Trailing 1 Year

01/31/2019 - 01/31/2020



FactSet

## Data Source Acknowledgements, Links, and Disclaimers

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**Performance data sourced from Morningstar Direct.**