

Look Back

- As forecasted, U.S. midterms avoided major blindsides; Democrats seized control of the House while the GOP retained Senate majority
- FOMC officials conveyed confidence in economy and policy; Next hike expected in Dec
- Heightened global volatility remains prevalent; VIX sitting in close proximity to 7-month highs

WTI Crude Oil | 1Y



Yesterday, the tech sector led U.S. markets' steep decline while U.S. debt markets were shuttered in observance of Veteran's Day. The S&P 500 fell roughly 2%, though today we are recovering some of the ground lost after Chinese Vice President Liu He announced he and U.S. Treasury Secretary Steven Mnuchin are paving the way toward formal trade negotiations in late-November. U.S.-China trade tensions continue to commandeer U.S. risk sentiment which have shown no progress for 6 months. Over the past 6 weeks, the VIX (Chicago Board Options Exchange SPX Volatility Index) has doubled as the magnitude of equity price swings have grown dramatically. Oil prices are suffering through a multi-week losing streak due to oversupply concerns, currently 23% off their October 3 highs. We expect this price pressure to show up in headline inflation early next year, which could anchor long yields and support the case for more curve-flattening to come.

- Chip Hughey, CFA
Head of Retail Fixed Income Strategy and Services



Equity	Level	Index Returns %				
		1w	QTD	YTD	1Y	Δ-1w
S&P 500	2726	-0.36	-6.25	3.65	7.62	
Dow Jones	25387	-0.14	-3.81	4.69	10.85	
Nasdaq	7201	-1.69	-10.41	5.26	7.82	
Russell 2000	1519	-1.83	-10.39	-0.07	4.26	
MSCI EAFE	1819	-0.52	-7.67	-8.56	-5.98	
MSCI EM	966	-2.60	-7.68	-14.56	-11.98	

Fixed Income	Yield %	Index Returns %				
		1w	QTD	YTD	1Y	
US Aggregate	3.64	0.25	-0.82	-2.41	-2.19	
US Credit	4.29	0.47	-1.23	-3.53	-2.74	
Global HY	6.75	-0.23	-1.48	-2.06	-0.66	
Municipals	3.05	0.19	-0.69	-1.09	-1.16	

Benchmark Rates	Levels				1Y Trend
	11/09/18	11/02/18	10/12/18	11/13/17	
Fed Fuds	2.18	2.18	2.17	1.16	
1-Month Libor	2.31	2.32	2.29	1.27	
3-Month Libor	2.62	2.59	2.45	1.42	
2Y US Treasury	2.92	2.91	2.86	1.69	
5Y US Treasury	3.04	3.03	3.01	2.06	
10Y US Treasury	3.18	3.20	3.16	2.37	
30Y US Treasury	3.38	3.43	3.34	2.83	
Prime Rate	5.25	5.25	5.25	4.25	
30Y Fixed Mtge	4.82	4.82	4.75	3.84	

Commodities	Levels				1Y Trend
	11/09/18	11/02/18	10/12/18	11/13/17	
WTI Crude	59.93	62.21	71.76	54.54	
Gold	1200.36	1231.50	1227.25	1280.40	

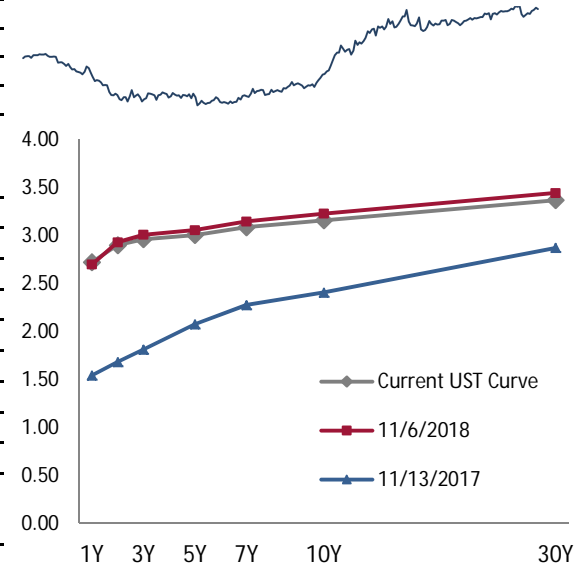
Currency	Levels				1Y Trend
	11/09/18	11/02/18	10/12/18	11/13/17	
\$ USD Index	97.54	96.28	95.06	93.83	
¥ JPY	113.84	113.19	111.77	113.46	
€ EUR	1.12	1.14	1.16	1.18	
£ GBP	1.28	1.30	1.32	1.32	

U.S. Eco Data	Levels				1Y Trend
	Latest	Previous	Previous	Previous	
GDP	3.50	09/30/18	4.20	06/30/18	
Core PCE	1.97	09/30/18	1.96	08/31/18	
NFP	118K	09/30/18	286K	08/31/18	
Avg Hrly Earn	2.80	09/30/18	3.00	08/31/18	
ECI	2.80	09/30/18	2.80	06/30/18	

Look Ahead

- U.S. rate markets were closed Monday; Equities weighed down by tech weakness
- Rumors of U.S. and China re-engaging in trade talks could provide a source of optimism for risk-on trading; leaders may piggy-back on the G-20 summit to hold discussions
- CPI & Retail Sales due Wed/Thurs this week

Chinese Renminbi Spot | 1Y



| Weekly Chart |

VIX vs S&P 500

