

INVESTMENT REVIEW

- ◆ The major U.S. equity indices were mixed in June. The Dow Jones Industrial Average fell -0.6%, the Nasdaq Composite gained 0.9%, and the S&P 500 returned 0.5%. Investors are weighing the benefits of corporate tax cuts and strong earnings growth against the threat of a trade war.
- ◆ Strong S&P 500 earnings growth is expected to continue. Analysts expect earnings to grow by 19% in 2018 and 10% in 2019. Analysts are also growing more bullish, as estimates for 2018 and 2019 have increased since January of this year.
- ◆ Emerging market equities declined -5.2% in June. Concerns about a stronger dollar, the potential escalation of trade skirmishes between the U.S. and emerging markets trading partners, and China’s campaign to decelerate its credit growth have led to selling pressure in this asset class.

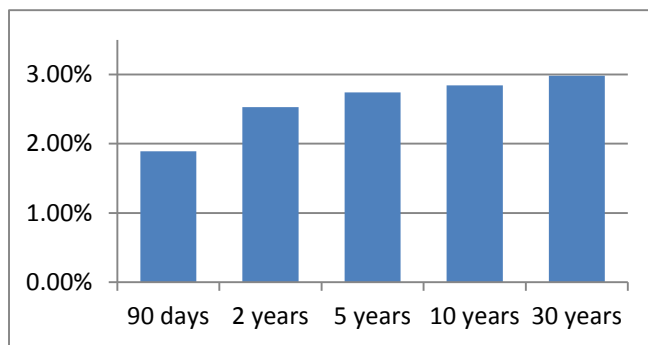
KEY INVESTMENT STATISTICS

	06/30/18	12 Month High	12 Month Low	YTD Price Change
Dow Jones Industrial Average	24,271	26,617	21,320	-1.8%
Nasdaq Composite	7,510	7,782	6,089	8.8%
S & P 500 Stock Index	2,718	2,873	2,410	1.1%

2018 Operating EPS Estimate	\$159
P/E on 2017 EPS	17x
2019 Operating EPS Estimate	\$175
P/E on 2018 EPS	15x
Dividend Yield	1.9%

Yields on U.S. Treasury Obligations	
90 days	1.89%
2 years	2.53%
5 years	2.74%
10 years	2.84%
30 years	2.98%

U.S. Treasury Yields



CPI: Trailing 12 Months	2.8%		
Crude Oil: Price Per Barrel (WTI)	\$74	\$74	\$44
Gold: Price Per Ounce (spot)	\$1,253	\$1,358	\$1,212
Natural Gas: Price per MM Btu (spot)	\$2.92	\$3.63	\$2.55

Source: Bloomberg LLC, FactSet, U.S. Commerce Department, Bloomberg Businessweek, IHS iSuppli

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