

INVESTMENT REVIEW

- ◆ U.S. stocks rallied in June as bulls adopted the view that the Fed was moving towards a more accommodative stance on interest rate policy. Investors also found bargains in individual stocks created by May’s trade war-related sell-off. For the month, the S&P 500 gained 6.9%, the Nasdaq rose 7.4%, and the Dow picked up 7.2%.
- ◆ Analysts expect S&P earnings growth to continue, calling for 3.6% growth in 2019 and 11.0% in 2020. However, some economists believe that these estimates do not reflect the impact of a trade war. There would likely be downside to these estimates if trade negotiations between the U.S. and China break down.
- ◆ International stocks also turned in a strong showing in June, although they did not keep pace with their U.S. counterparts. The MSCI EAFE Index rose 4.1% and the MSCI Emerging Markets Index was up 4.1%. Among the major EAFE markets, the laggard was Japan, which gained only 2.8%.

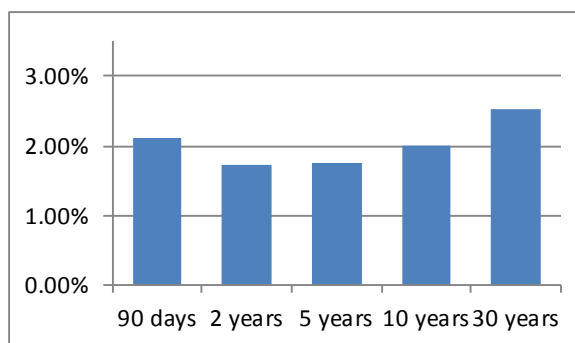
KEY INVESTMENT STATISTICS

	06/30/19	12 Month High	12 Month Low	YTD Price Change
Dow Jones Industrial Average	26,600	26,828	21,792	14.0%
Nasdaq Composite	8,106	8,164	6,193	20.7%
S & P 500 Stock Index	2,942	2,954	2,351	17.4%

2019 Operating EPS Estimate	\$167
P/E on 2019 EPS	18x
2020 Operating EPS Estimate	\$185
P/E on 2020 EPS	16x
Dividend Yield	1.9%

Yields on U.S. Treasury Obligations	
90 days	2.12%
2 years	1.73%
5 years	1.75%
10 years	2.00%
30 years	2.53%

U.S. Treasury Yields



CPI: Trailing 12 Months	1.8%		
Crude Oil: Price Per Barrel (WTI)	\$58	\$77	\$42
Gold: Price Per Ounce (spot)	\$1,410	\$1,412	\$1,177
Natural Gas: Price per MM Btu (spot)	\$2.31	\$4.84	\$2.19

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

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