

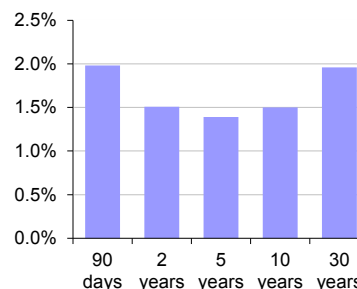
INVESTMENT REVIEW

- ◆ The major U.S. stock indexes declined in August. The Dow Jones Industrial Average fell by 1.7 percent, the S&P 500 was down 1.8 percent and the Nasdaq Composite finished the month down 2.6 percent.
- ◆ Treasury yields accelerated their three-month decline as uncertainty caused investors to seek safe havens. The 10-year Treasury yield fell to 1.5 percent, widening the gap between the three-month Treasury bill. The 10-year Treasury yield also fell below the 2-year rate, a phenomenon viewed by economists as an important recession prognosticator. The 30-year Treasury fell to a new record low.
- ◆ Currency outflows pushed the Chinese yuan below the key 7-to-the-dollar level for the first time since 2008. The U.S. labeled China a currency manipulator, signaling an escalation in the trade conflict.

KEY INVESTMENT STATISTICS

	8/30/2019	12 Month High	12 Month Low	YTD Price Change
Dow Jones Industrial Average	26,403	27,360	21,792	13.2%
Nasdaq Composite	7,963	8,330	6,193	20.0%
S & P 500 Stock Index	2,926	3,026	2,351	16.7%
2019 Operating EPS Estimate	\$165			
P/E on 2019 EPS	18x			
2020 Operating EPS Estimate	\$178			
P/E on 2020 EPS	16x			
Dividend Yield	1.9%			
Yields on U.S. Treasury Obligations				
90 days	1.98%			
2 years	1.51%			
5 years	1.39%			
10 years	1.50%			
30 years	1.96%			
CPI: Trailing 12 Months	1.8%			
Crude Oil: Price Per Barrel	\$55	\$76	\$43	
Gold: Price Per Ounce	\$1,519	\$1,541	\$1,182	
Natural Gas: Price per MM Btu	\$2.29	\$4.84	\$2.07	

U.S. Treasury Yields



Source: Bloomberg LLC, FactSet, U.S. Department of Labor

This commentary reflects the opinions of Welch & Forbes based on information that we believe to be reliable. It is intended for informational purposes only, and not to suggest any specific performance or results, nor should it be considered investment, financial, tax or other professional advice. It is not an offer or solicitation.