

# U.S. Equities August 2019

## KEY HIGHLIGHTS

- The [S&P 500](#)<sup>®</sup> was down 1.81% in August, bringing its YTD return to 16.74%.
- The [Dow Jones Industrial Average](#)<sup>®</sup> lost 1.72% for the month and rose 13.19% YTD.
- The [S&P MidCap 400](#)<sup>®</sup> lost 4.35% for the month and was up 13.12% YTD.
- The [S&P SmallCap 600](#)<sup>®</sup> returned -4.64% in August and 8.73% YTD.

Exhibit 1: Index Returns				
INDEX	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)
S&P 500	-1.81	6.34	16.74	0.86
Dow Jones Industrial Average	-1.72	6.40	13.19	1.69
S&P MidCap 400	-4.35	3.90	13.12	-8.00
S&P SmallCap 600	-4.64	3.38	8.73	-16.35

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

## MARKET SNAPSHOT

It was an August to anguish (hot, volatile, inverted, and down), as the prior two months of gains, 1.31% for July (which posted eight new closing highs; four for The Dow<sup>®</sup>), and 6.89% for June (one new closing high), were met with payback. However, the payback was limited, as -5.31% was the worst (intraday) point and the month ended off 1.81%, with the YTD return still proudly flying a 16.74% flag for Labor Day. Trading for the month, which is typically light, increased 9% over July (adjusted for trading days) and 16% over August 2018. Volatility also jumped, as 16 of the 22 trading days had intraday moves of at least 1%, compared with 2 in July (1 in August 2018), and 1% daily moves numbered 10 (6 up and 4 down; 3 of the 4 down were at least -2%), compared with 1 (down) in July (there were no 1% moves in August 2018). At the heart of the volatility was the market's reaction to trade issues and the decline in global economics (Germany posted -0.1% for Q2 2019 GDP and sold 30-year bonds at -0.11%—you pay them). The dual concern pushed the 10-year U.S. Treasury Bond to trade lower than the 2-year U.S. Treasury Bond, which last occurred in 2007. The inversion triggered sell programs, which had few buyers to limit the impact. Interest rates fell across the board (and globe). The 30-year U.S. Treasury Bond fell under 2% for the first time in history, trading at a new low of 1.90% (3.02% at year-end 2018) and closing the month at 1.97%, the 10-year U.S. Treasury Bond traded as low as

### Contributor:

Howard Silverblatt, Index Investment Strategy, Senior Industry Analyst, [howard.silverblatt@spglobal.com](mailto:howard.silverblatt@spglobal.com)

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1.45%, closing at 1.50% (2.68% at year-end 2018), and the 2-year U.S. Treasury Bond closed at 1.51% (2.50% at year-end 2018). In the S&P 500, the monthly decline was broad, as 3 of the 11 sectors gained and 8 declined; 193 issues moved up for the month (15 of them up at least 10%), and 312 were down (102 were down at least 10%). At this point, the Street has two focuses: trade issues and the FOMC meeting on Sept. 17-18, 2019. On the trade front, more volatility is expected, as the Trump negotiation process continues to produce quick market swings; however, the Street still expects some kind of deal—though no longer in 2019 (and it is not as optimistic about the terms). As for the FOMC, most expect another 0.25% cut, and when you expect (rightly or wrongly) and don't receive, you'll be disappointed, with many on the Street already looking past September for more cuts at the Oct. 29-30, 2019, meeting, and a few calling for one more after that at the Dec. 10-11, 2019, meeting. Most think we need to first trade past September.

Historically, August posts gains 59.3% of the time, with an average gain of 3.85% for the up months, a 4.01% average decrease for the down months, and an overall average gain of 0.66%. The forward September month posts gains 45.1% of the time, with an average gain of 3.32% for the up months, a 4.62% average decrease for the down months, and an overall average loss of 0.99%. August was payback for June's and July's gains of 6.89% and 1.31%, respectively, as the market reacted to inverted yield curves, record-low 30-year U.S. Treasury Bond rates (which produced significant increases in mortgage refinance applications), and talk of recession (no statistics supported this in the U.S, but Germany posted a -0.1% Q2 2019 GDP—halfway to a recession). The quantitative result was an acceptable 1.81% decline for August (with a 2.79% in the last week of the month), leaving the S&P 500 3.29% away from its closing high (July 26, 2019; 3,025.86) and up 16.74% YTD (18.34% with dividends), the best eight-month YTD opening since 1997's 21.43%. The bull market run (starting March 9, 2009) was up 333% (15.01% annualized) and up 439% (17.44%) with dividends.

Preliminary Q2 2019 buyback data showed a significant decline in expenditures to the USD 166 billion level from USD 206 billion in Q1 2019 and USD 223 billion in the record-setting Q4 2018. It appears that in a rush to demonstrate their tax-inspired higher shareholder return policies, companies may have overspent on buybacks in 2018 and are now looking for a lower level. At this point, I believe 2018 should be looked at as including a one-time bonus of buybacks, with the significant decrease of buybacks in Q2 2019 over any of the quarters in 2018 being revaluated against 2017 and prior. The key question now is where normal expenditures will level off. Will it be at the current USD 170 billion range, or will they decline to slightly above those of 2017? Q3 2019 should give us better guidance on where to set the level and their related support for stocks, as well as the tailwind for EPS via lower share counts.

Trump said he was considering tax cuts on wages and asset sales, later adding that cuts would always be on the table and that the economy was strong (personally, I get nervous when political leaders say "but the economy is strong"), but it would be stronger if the FOMC cut interest rates. The next day, Trump said he was not considering tax cuts. Trump's visit to Denmark was canceled after Danish Prime Minister Mette Frederiksen said she would not entertain Trump's proposal to purchase Greenland.

The U.S. collected USD 63 billion in tariffs over the one-year period ending in June 2019; the ongoing rate was set to be USD 72 billion annually, or USD 100 billion if the additional 10% on USD 300 billion of Chinese imports is implemented on Sept. 1, 2019. The U.S. Commerce Department granted a 90-day extension for companies selling to Huawei, as tensions (and discussions) around U.S.-China trade

have continued. China said it would sanction any U.S. firm involved in the USD 8 billion sale of U.S. F-16V fighter jets (made by General Dynamics and Lockheed Martin) to Taiwan. China responded to the U.S.'s planned USD 300 billion in tariffs by implementing tariffs (of 5%-10%) on USD 75 billion of U.S. imports, starting on Sept. 1, 2019, and Dec. 15, 2019 (the same dates as the U.S. tariffs). On Aug. 23, 2019, Trump's response was to tweet, "We don't need China and, frankly, would be far better off without them," and to order U.S. companies to start looking for alternatives to producing in China (later claiming authority to do so under a 1977 law), which resulted in a 2.59% decline for the S&P 500 that day. After the close, Trump announced additional tariffs, increasing the tariff rate to 30% from 25% on USD 250 billion of Chinese imports effective Oct. 1, 2019, and increasing the tariff rate to 15% from 10% on USD 300 billion of Chinese imports that are scheduled to start on Sept. 1, 2019, and Dec. 15, 2019. China later indicated (on Aug. 29, 2019) it would not implement its Sept. 1, 2019 U.S. tariffs, as they were discussing possible face-to-face talks for September (to be held in the U.S.).

At the G7 meeting in Biarritz, France, there were no formal achievements, as the appearances seemed cordial, but tense. At a side U.S.-Japan meeting, Trump and Abe said that a trade deal was done and would be signed in September 2019; details were pending, but the U.S. said the outline was for Japan to buy more U.S. corn, and some U.S. tariffs were removed (but not the ones on autos).

The U.S. Treasury is considering issuing long-term bonds with 50-100 year durations. Issuing long-term bonds would lock in current record low interest rates. The German 30-year bond traded negatively for the first time in history, as Germany sold them at a 0% coupon, with the issue selling at -0.11% yield (quantifying the cost of 30-year safety in Germany). Singapore reduced its 2019 expected growth rate to 0%-1% from the prior 1.5%-2.5%. The FOMC notes from the July 30-31, 2019, meeting (when it decreased interest rates for the first time since 2008; a 0.25% cut) painted the cut as insurance against low inflation and a potential deeper decline in business investment due to uncertainty over the current trade and tariff situation. The Jackson Hole meeting was fully overshadowed by global events (U.S.-China trade, G7 summit, U.S.-Japan meeting), and it ended without any new insights. Of note, Fed Chair Jerome Powell said in his speech that the Fed had experience in macroeconomics, "But fitting trade policy uncertainty into this framework is a new challenge. Setting trade policy is the business of Congress and the Administration, not that of the Fed."

As Q2 2019 reports wind down, the preliminary review is another successful quarter, as lowered estimates were beaten, with the overall level supporting the current multiples, and growth for the second half is supported by current estimates. To date, 73.5% (363 issues) of the 494 issues that have reported beat the lowered estimates (88 missed and 43 met); the quarter is expected to post a 6.5% gain over Q1 2019 and 4.7% over Q2 2018, and be 2.2% lower than the Q4 2018 record. Sales had a 55.5% beat rate (with 273 of 492 beating) and posted a new quarterly record, coming in 3.9% over Q1 2019 and 5.2% over Q2 2018. For the second half of the year, Q3 2019 is expected to post a 1.6% gain over Q2 2019 and be 0.7% shy of the Q3 2018 record; Q4 2019 is expected to post a new record, with a 3.5% gain over Q3 2019 and a 21.4% gain over a depressed Q4 2018. Full-year 2019 is projected to show a 6.9% gain over 2018, and estimates show that 2020 is expected to post a 12.0% gain over 2019. Given the concern over trade and tariffs, Q4 2019 estimates are under review, as are all of 2020's. The share data reported for Q2 2019 showed that the tailwind from buybacks affecting issue-level earnings (and therefore prices) was running at the same high Q1 2019 rate, as 24.4% of the issues had at least a 4% EPS gain over Q2 2018 due to share count reduction; Q1 2019 was 24.9%, while Q2 2018 was 15.6%. The S&P 500 target price was 3,290 (12.4% from here; 3,233 last month), and The Dow target price was 29,684 (12.4% from here; 29,094 last month).

Banking issue HSBC Holdings plc (HSBC) said it would cut up to 2% of its global 238,000 employees. The Walt Disney Company (DIS) missed on earnings and beat on sales, but was boosted by comments that Disney's new bundle (Disney Plus, ESPN Plus, and Hulu) would undercut Netflix (NFLX). Drug store issue Walgreens Boots Alliance (WBA) said it would close 200 stores in the U.S. (in May, it said it would close 200 in the UK) and take a USD 1.9 billion-USD 2.4 billion pre-tax charge. Food and beverage issue Kraft Heinz Company (KHC) posted a USD 1.7 billion charge (USD 1.2 billion for impairment and USD 474 million for valuations). In February, it reduced its business values by USD 15.4 billion. Package delivery issue FedEx (FDX) said it would end its ground delivery agreement with Amazon.com (AMZN) at the end of August 2019. Retail earnings varied, as Macy's (M) missed on earnings, lowering its guidance and noting that inventories had swollen; Tapestry (TPR; formerly Coach) reported mixed earnings, as its forecast disappointed, and Walmart (WMT) posted a gain in its reported sales and increased its full-year guidance. Harry Markopolos, the whistle blower of the Bernie Madoff Ponzi scheme, issued a report alleging that General Electric (GE) was committing accounting fraud. Aerospace issue Boeing (BA) told its suppliers that it expected to resume production of its Boeing 737 MAX planes (with production targeted for 52 planes per month by February 2020, working up to 57 by June 2020), subject to regulatory approval of its planes. Johnson & Johnson (JNJ) lost an Oklahoma lawsuit (brought by the state's attorney general) that claimed it had some responsibility for the state's opioid crisis. The defeat was seen as a partial victory by company supporters, as J&J was ordered to pay only USD 572 million; the state had sought USD 17 billion. S&P Dow Jones Indices added S&P MidCap 400 scientific research issue Leidos Holdings (LDOS) and S&P MidCap 400 manufacturing issue IDEX (IEX) to the S&P 500, replacing Anadarko Petroleum (APC), which is being acquired by Occidental Petroleum (OXY), and Foot Locker (FL).

The first half of trading totals showed that China fell (behind Mexico and then Canada) as the largest U.S. trading partner; this was attributed to tariffs and trade concerns (China's imports declined 12% and exports declined 19% in the first half of 2019). The International Energy Agency reduced its demand growth to reach 1.1 million barrels per day in 2019 (from 1.2 million) and 1.3 million barrels in 2020 (down from 1.35 million). The U.S. budget gap grew in July, as U.S. (federal) spending outpaced revenue collection, and the deficit for the 10-month period ending in July 2019 (the U.S. fiscal year ends in September) was USD 867 billion, 27% higher than the same period last year. The Federal Reserve Bank of New York reported that mortgage debt in the U.S. increased to USD 9.406 trillion in Q2 2019, setting a record and surpassing the prior record of USD 9.294 trillion set in Q3 2008 (the S&P 500 had a market value of USD 24 trillion). Japan regained the title of the largest U.S. holder of credit, taking it back from China (who took it from Japan in 2016), as Japan held USD 1.12 trillion, compared with China's USD 1.11 trillion. (Do you remember when a billion was a lot?) The U.S.-China trade war failed to show in Shanghai, where discount membership warehouse Costco (COST) opened its first store. However, police did show up, as crowds were so large, they needed to be controlled, and the store was forced to close early. Argentina "unilaterally" extended maturities on its short-term debt, as S&P Global Ratings cut the country's long-term foreign and local currency issue ratings to "CCC-," saying, "This constitutes default under our criteria."

The U.S. 30-year Treasury Bond fell under 2% for the first time in history, trading as low as 1.90% (3.02% at year-end 2018), closing the month at 1.97%. The U.S. 10- and 2-year Treasury Bonds inverted for the first time since 2007, triggering equity sell programs, as the U.S. 10-year Treasury Bond closed at 1.50% (2.68% at year-end 2018, trading as low as 1.48%), and the U.S. 2-year Treasury Bond closed at 1.51% (2.50% at year-end 2018). The pound closed up at 1.2164 from 1.2154 (1.2754 for year-end 2018, 1.3498 for 2017, and 1.2345 for 2016); the euro was down to 1.0995 from last

month's 1.1072 (1.1461, 1.2000, 1.0520); the yen closed at 106.24, down from last month's 108.78 (109.58, 112.68, 117.00); and the yuan traded as high as 7.1704, closing at 7.1567, up from last month's 6.8843 (6.8785, 6.5030, 6.9448). Oil decreased to close at USD 55.07, down from last month's USD 58.01 (USD 45.81 at year-end 2018, USD 60.09 for 2017, and USD 53.89 for 2016). U.S. gasoline pump prices (EIA, all grades) decreased, closing the month at USD 2.661 from last month's USD 2.798 per gallon (USD 2.358, USD 2.589, USD 2.364). Gold closed at USD 1,532.60, up from last month's USD 1,426.30 (USD 1,284.70 for year-end 2018, USD 1,305.00 for year-end 2017, and USD 1,152.00 for year-end 2016). VIX<sup>®</sup> closed at 18.98, trading as high as 24.81 and as low as 13.73, down from 16.12 last month (25.42 at year-end 2018, 11.05 at year-end 2017, and 14.04 at year-end 2016). Bitcoin closed at USD 9,640, up from last month's USD 10,057 (USD 8,534 the month before that), trading as high as USD 12,317 and as low as USD 9,497 (USD 3,747 at year-end 2018, USD 13,850 at year-end 2017, and USD 968 at year-end 2016).

## INDEX REVIEW

### S&P 500

The S&P 500 closed at 2,926.46, down 1.81% (-1.58% with dividends) from last month's 2,980.23 close, when it was up 1.31% (1.44%). Year-to-date, the S&P 500 was up 16.74% (18.34% with dividends). For the one-year period, the S&P 500 was up 0.86% (2.92% with dividends). The Dow closed at 26,403.28, down -1.72% (-1.32% with dividends) from last month's 26,864.27, when it was up 0.99% (1.12%). Year-to-date, The Dow was up 13.19% (15.14%), and the one-year return was 1.69% (4.12%). Intraday volatility (daily high/low) increased to 1.43% from last month's 0.65% (0.78% the month before that), as the YTD rate was 0.93% (0.86% last month); 2018 was 1.21% and 2017 was 0.51% (which was the low from 1962, with the average at 1.43%). S&P 500 trading increased 9% (adjusted for trading days) over the past month, after the prior month's 10% decrease; year-over-year trading volume was 16% higher than the same period last year. Moves of at least 1% reemerged in August, with 7 of the 22 days up at least 1% and 4 down at least 1% (3 were down at least 2%), compared with only 1 of the 22 days moving up or down (-1.02%) in July; year-to-date, 30 of 168 days moved at least 1% (19 of 146 last month), with 18 up and 12 down. In August, 16 of the 22 days had a high/low intraday spread of at least 1%, when only 2 did in July (62 of 168 YTD; 110 in 2018).

Sector variance increased for the month, as 3 of the 11 sectors were up (7 gained last month and all 11 increased the month before that). The spread between the best (Utilities, 4.66%) and worst (Energy, -8.73%) sectors for the month was 13.39% (the one-year average was 10.26%), up from last month's 5.13%; year-to-date, the spread was 28.49% (24.95% last month). Safety was key in August, as risk was mostly off (even though it ended on a positive note), with Utilities performing the best, up 4.66% for the month (when the overall market was down) and up 17.63% YTD. Real Estate was right behind, up 4.61% for the month and up 26.04% YTD. Consumer stocks did better than most, as Consumer Staples added 1.64% and was up 19.04% YTD, and Consumer Discretionary declined 1.43% (but was still higher than the overall index) and was up 20.34% YTD. Information Technology, last month's leader (adding 3.26%), declined 1.70%, but remained the best sector YTD, up 28.02%, and it was up 74.25% since the U.S. November 2016 election. Energy did the worst again, declining 8.73% for the month and falling into the red YTD, at -0.47%, the only such sector in the S&P 500; since the U.S. 2016 election, Energy was off 17.32% (again the only negative sector in the index). As interest rates significantly declined, Financials fell 5.07% and was up 12.57% YTD. Health Care managed a slight decline, off 0.69%, and it was up 4.55% YTD.

Breadth turned negative, as 193 issues gained, with an average loss of 5.11%, down from last month's 292 gainers (4.40% average) and the prior month's 456. Gains of 10% or more decreased to 15 issues (with an average gain of 13.71% each) from last month's 26 and from the prior month's 156; no issue gained at least 25% (none did last month). On the downside, 312 issues fell, with an average loss of 8.60% each, up from last month's 213 decliners and 46 the month before that. In August, 102 issues fell at least 10% (-15.93%), up from last month's 18 and 1 the month before; 10 declined at least 25% (none did so last month). For the three-month period, 345 issues were up, with 165 of them up at least 10%, and 159 were down, with 61 of them down at least 10%. Year-to-date, 381 issues were up (430 last month), with an average gain of 25.02%, as 310 (352) were up at least 10% and 162 (173) were up at least 25%; 119 (70) were down, an average of 14.53%, with 66 (31) down at least 10% and 23 (4) down at least 25%.

## The Dow

The Dow pulled back after two months of gains, posting the best performance of any of the indices reported on here. For August, The Dow closed at 26,403.28, down 1.72% (-1.32% with dividends) from last month's 26,864.27 close, when it was up 0.99% (1.12% with dividends), and June's 26,599.96 close, when it was up 7.19% (7.13% with dividends). The three-month period posted a 6.40% gain (7.07% with dividends), the year-to-date gain was 13.19% (15.14%), and the one-year return was 1.69% (4.12%). Longer term, the two-year return was 20.30%, the three-year gain was 43.49%, and the five-year return was 54.42%—all of which beat the S&P 500.

For the month, 11 of the 30 issues gained, with an average gain of 3.56%, down from last month's 18 (average gain of 3.55%), and down from the prior month (June), when all 30 issues gained (average gain of 7.19% each). On the downside, 19 issues declined, up from 12 last month. None of the issues gained at least 10%, none did last month either (4 did the month before that), and two issues declined at least 10% (average loss of 13.75%), compared with one last month. The three-month period showed 23 issues up, with an average gain of 8.60%, down from last month's 27 (average gain of 9.28%), but up from 19 in the prior month; 8 were up at least 10%, compared with 10 last month.

Breadth ticked down YTD but remained strong, as 23 of the 30 issues were up, an average gain of 19.20%, down from 24 last month (but up from 22 the month before that). There were 18 issues that gained at least 10%, up an average 23.37%, the same number as last month, and 7 were up at least 25%, compared to 10 last month. On the downside, 6 issues reported losses, an average of 11.95% each, up from last month's 5, and 3 were down at least 10% (-19.59%; compared to 2 last month), and 1 issue was down at least 25% (none last month).

Issue performance continued to vary and increased for the month. The spread between the best and worst issue increased to 22.22% from 17.99% last month and 12.84% the month before that. Year-to-date, the spread continued to grow and be significant, at 62.13% (Visa [V] was up 37.05%, and Walgreens Boots Alliance was down 25.08%), up from last month's 55.31%.

On an issue basis, Boeing did the best, adding 6.71% after last month's 6.27% decline, and up 12.90% YTD. Consumer issues did well for the most part, as consumers spent, although their spending was selective. Home improvement issue Home Depot (HD) added 6.65%, as its guidance was better than expected, and it was up 32.64% YTD; the issue was up 156% since the November 2016 U.S. election. Soft drink issue Coca-Cola (KO) was up 4.58% (up 16.24% YTD), and Walmart added 3.52% (up 22.66% YTD). Walgreens Boots Alliance, however, continued to have a difficult time, falling 6.06% and

down 25.08% YTD. Information Technology was more down than up, as Microsoft (MSFT) added 1.17% (up 35.73% YTD), but Apple (AAPL) declined 2.02% (up 32.33% YTD), with networking hardware issuer Cisco Systems (CSCO) off 15.51% for the month (the worst in the index) and up 8.03% YTD. Energy fell, with Exxon Mobile (XOM) off 7.91%, remaining positive YTD at 0.43%, and Chevron (CVX) declined 4.38% and was up 8.21% YTD.

### **S&P MidCap 400**

The S&P MidCap 400 pulled back this month, after two months of gains (1.09% in July and a strong 7.46% rebound in June), posting a broad 4.35% decline, with Energy again pulling the index down. For the trailing three-month period, the index moved into the black (it was -0.20% for the three-month period in July), posting a 3.90% gain, and it was up 13.12% YTD. The one-year return, however, showed the recent strains (and history of mixed results), as it was down 8.00%. The index was up 8.68% for the longer-term two-year period, up 20.22% for the three-year period, and up 30.80% for the five-year period (all of which underperformed the S&P 500).

Of the 11 sectors, 2 gained for the month, down from 8 last month and all 11 the month before that. Sector spreads increased, as the difference between the best and worst group increased (due to the sharp decline in Energy) to 21.76% from last month's 14.60% (11.33% the month before that). The YTD spread jumped (again), to 52.54% from last month's 40.48% and the prior month's 27.08%, as the one-year spread declined to 66.87% after last month's jump to 79.36% from June's 58.14%. The root of the spread increases continues to be Energy; the five-year spread was 166%, as Health Care was up 88.5% over that period and Energy was down 77.5% (the index smoothed them out).

For August, safety (and income-producing assets) again played a role, as Real Estate did the best, adding 2.06% and up 13.14% YTD, and Utilities posted the only other positive month, up 0.35% for August and up 11.63% YTD. Information Technology was on par with the index, down 4.32%, but it was up 24.63% YTD, the best sector in the index. Consumer stocks continued to vary, although both declined. Consumer Discretionary declined 4.84% for the month (after adding 1.30% in July) and was up 11.39% YTD, and Consumer Staples was down 1.81% (up 0.60% last month) and up 3.85% YTD. Energy did the worst, falling 19.70% in August after falling 9.88% in July. For the three-month period, it fell 23.79%, year-to-date, it fell 23.79%, and for the one-year period, it lost over half its value, down 56.42%.

Breadth declined and turned negative, as 107 issues gained an average of 5.55% each, down from last month's 230 gainers (up an average of 5.62% each), and 293 issues declined, an average loss of 10.50%, up from last month's 168 decliners (average loss of 6.66%). There were 17 issues that gained at least 10% (an average gain of 16.29%), compared with 35 last month (131 the month before), and 113 issues declined at least 10%, with an average loss of 19.88%, up from last month's 39 (5 the month before that). Significant gains of at least 25% were posted by 2 issues, the same as last month, and 26 issues fell at least 25%, compared with 6 last month. Year-to-date, breadth declined but stayed positive, as 273 (316 last month) issues gained (average 24.81%) and 126 (82) were down (-20.86%), with 205 (262) up at least 10% (31.25%) and 80 (47) down at least 10% (-29.65%), as 25% gains were reported for 106 (140) issues, up an average 44.16%, with 44 (22) reporting a loss of at least 25% (-40.88%).

## S&P SmallCap 600

The S&P SmallCap 600 did the worst of any index reviewed here, as large caps continued to outperform. For August, the index declined 4.64%, after last month's 1.06% gain and June's broad 7.26% gain, while it had a three-month gain of 3.38% and a YTD gain of 8.73%—all of which were the lowest of the four headline indices. For the one-year period, the S&P SmallCap 600 was down double digits, -16.35% (also the worst of the group); the longer-term two-year period was up 9.32%, and the three-year period was up 22.00% (both more than the S&P MidCap 400, but less than the S&P 500). The recent declines appear to be partially due to a lack of buying, as concern over the economy continues to add more risk to smaller issues.

For August, only 1 sector was positive, compared with 8 last month, and all 11 the month before that, as there were few places to hide in the index. Utilities added 3.74% for the month, as it was seen as a safe investment (along with a steady income stream); the sector was up 21.29% YTD, the best of any sector in the index.

Sector variance grew, as the difference between the best and worst sector increased to 21.03% from last month's 12.47% and June's 12.87%. For the three-month period, it was 30.08%, up from last month's 29.02% (22.67% the month before that), and the YTD sector variance again jumped, to 41.91% from 29.48% last month (11.94% the month before that). The one-year difference was 71.53% (61.66% last month), as Utilities was up 14.16% and Energy was down a devastating -57.37% (off 60.57% over the 10-year period).

For the month, Utilities was the only gainer, and Real Estate was next, managing to produce a minor decline, off 0.31%, and it was up 13.21% YTD. Health Care also did better than the index, off 2.53%, as it was up 6.60% YTD but down 20.53% over the one-year period. On the downside, Energy fell 17.29% and was off 20.61% YTD. Materials also did poorly, falling 9.47% but remaining positive YTD, up 1.83%. Financials fell 5.78%, as interest rates declined (with the expectation of another interest rate cut at the September FOMC meeting), and the sector was up 6.53% YTD. Consumer issues declined, as Consumer Discretionary lost 3.76% and posted a 4.08% YTD gain, while Consumer Staples was down 3.21% and posted a 2.70% YTD gain.

For the month, breadth declined and turned negative, as 169 issues gained, an average of 9.19%, down from last month's 341 gainers (and 486 the month before that). On the downside, 432 issues fell (an average loss of 11.72%), up from last month's 260 (114 the month before that). Gains of at least 10% were posted by 53 issues (average of 20.24%), compared with 83 last month, and 206 issues posted declines of at least 10% (average of -19.12%), compared with 82 last month. For the three-month period, 324 issues were up (average of 16.09%) and 276 (-15.14%) were down. Year-to-date, 346 (418 last month) were up (30.84%), 254 (182) were down (-24.85%), and 267 (320) had at least a 10% gain (38.46%) while 182 (127) had at least a 10% loss (-33.10%). Extreme changes of at least 25% YTD were posted by 259 (255 in July) issues, with 156 (188) up at least 25% (average of 54.17%) and 103 (67) down (-44.98%).

## S&P Global BMI

Global markets turned almost uniformly negative in August, as only 3 of 48 markets gained. The global economic slowdown was blamed for most of the damage, as central banks moved to ease and stimulate (or hinted toward that policy), with trade and tariffs seen as one of the contributors to the



slowdown. August declined 2.68%, compared with July's 0.10% gain and June's broad 6.20% gain. The decline was worse absent the U.S.'s lower 2.22% fall, coming in at -3.22%. For the three-month period, global markets were up 3.46%, but excluding the U.S.'s 5.90% gain, they were up 0.68%. Year-to-date, global markets were up 11.70%, and absent the U.S.'s 16.52% gain, they were up 6.41%. Longer term, the U.S. also dominated, as for the one-year period, global markets were down 3.43%, and absent the U.S.'s -0.66% loss, they were off -6.52%. The two-year global return was 5.85% with the U.S.'s gain of 17.28% and -5.46% without it, and the three-year return was up 21.68% with the U.S. gain of 33.47%, and absent the U.S., it was up 9.76%.

For August, the S&P Global BMI decreased USD 1,513 billion (up USD 24 billion in July and up USD 3,148 billion in June). Non-U.S. markets declined USD 815 billion (down USD 350 billion in July and up USD 1,329 billion in June), and U.S. markets decreased USD 699 billion (up USD 374 billion in July and USD 1,819 billion in June).

Global markets were down 2.68% for the month, and excluding the U.S.'s 2.22% decline, they were down 3.22%. For the three-month period, global markets were up 3.46%, and excluding the U.S.'s 5.90% gain, they were up 0.68%; the YTD return was up 11.70%, and excluding the U.S.'s 16.52% gain, it was up 6.41%; for the one-year period, global markets were down 3.43%, and excluding the U.S.'s 0.66% decline, they were down 6.53%. Emerging markets were down 4.77% for the month and down 1.24% for the three-month period, as the YTD return was up 3.90%, and the one-year period was down 4.11%.

Developed markets were down 2.44% for the month (-2.77% excluding the U.S.), up 4.02% (1.24%) for the three-month period, and up 12.63% (7.13%) YTD, with the one-year period down 3.33% (-7.14%).

Sector variance was negative, as 3 of the 11 sectors increased (5 gained last month and all 11 increased the month before that). The spread between the best (Utilities, 2.13%) and worst (Energy, -8.06%) sectors for the month was 10.20% (the one-year average was 7.37%), up from last month's 5.65%; year-to-date, the spread was 26.34% (20.76% last month).

Emerging markets posted a second month of declines, down 4.77% after last month's 1.20% decline and the prior month's 4.97% gain, while the three-month loss was 1.24%, the YTD return was up 3.90%, and the one-year period was down 4.11%. The two-year return was down 7.56%, and the three-year return was up 11.99%.

For August, only 1 of the 23 emerging markets was up, compared with last month's 8 gainers. Egypt did the best, up 10.52% for the month and up 27.33% YTD. Mexico was next, as it declined 1.24% and was up 0.87% YTD, with Thailand after that, down 2.35% and up 14.43% YTD. Turkey was the worst performer for the month, down 9.65% for the month and was down 1.70% YTD, with Brazil next, falling 9.36%, and up 8.21% YTD.

Developed markets posted a consolidated 2.44% decline for the month, while the return excluding the U.S. was -2.77%. The three-month return was up 4.02% and 1.24% excluding the U.S., the YTD gain was 12.63% and 7.13% excluding the U.S., and the one-year return was down 3.33% and down 7.14% excluding the U.S. The two-year return was 7.51%, but -4.87% excluding the U.S., and the three-year return was 22.84% and 9.23% excluding the U.S.

For August, 2 of the 25 developed markets gained, compared with last month, when 7 increased. Denmark was up 1.06% for the month and up 10.91% YTD, followed by Switzerland, which up 0.11% and was up 18.79% YTD. Hong Kong did the worst, off 8.32% and off 0.25% YTD, as Luxembourg was next, down 8.04% and down 18.45% YTD. Of note, Japan declined 1.14% (up 5.05% YTD), Germany declined 2.99% (up 4.80%), and the UK fell 5.26% (up 2.64%).

## PERFORMANCE RECAP

<b>Exhibit 2: Monthly Returns</b>							
<b>S&amp;P 500</b>	<b>PRICE</b>	<b>1-MONTH (%)</b>	<b>YTD (%)</b>	<b>1-YEAR (%)</b>	<b>3-YEAR (%)</b>	<b>5-YEAR (%)</b>	<b>FR 12/99 (%)</b>
Energy	422.09	-8.73	-0.47	-22.92	-16.49	-41.03	98.42
Materials	354.28	-3.08	11.89	-4.66	16.39	11.38	121.48
Industrials	636.24	-2.95	17.35	-1.47	25.68	37.12	132.73
Consumer Discretionary	940.47	-1.43	20.34	1.21	47.26	72.62	214.22
Consumer Staples	621.27	1.64	19.04	12.66	11.69	33.95	198.62
Health Care	1046.74	-0.69	4.55	-2.30	24.72	41.91	220.32
Financials	445.65	-5.07	12.57	-5.04	34.93	41.93	38.52
Information Technology	1393.25	-1.70	28.02	4.98	77.96	109.54	72.55
Communication Services	166.58	-1.54	20.03	8.18	-3.27	3.74	-48.40
Utilities	315.97	4.66	17.63	17.16	27.16	44.48	121.83
Real Estate	242.44	4.61	26.03	16.30	18.54	37.76	-
S&P 500	2926.46	-1.81	16.74	0.86	34.80	46.08	99.18
<b>DOW JONES INDUSTRIAL AVERAGE</b>	<b>PRICE</b>	<b>1-MONTH (%)</b>	<b>YTD (%)</b>	<b>1-YEAR (%)</b>	<b>3-YEAR (%)</b>	<b>5-YEAR (%)</b>	<b>FR 12/99 (%)</b>
Dow Jones Industrial Average	26403.28	-1.72	13.19	1.69	43.49	54.42	129.65
<b>S&amp;P MIDCAP 400</b>	<b>PRICE</b>	<b>1-MONTH (%)</b>	<b>YTD (%)</b>	<b>1-YEAR (%)</b>	<b>3-YEAR (%)</b>	<b>5-YEAR (%)</b>	<b>FR 12/99 (%)</b>
Energy	213.11	-19.70	-27.91	-56.42	-52.61	-77.54	21.45
Materials	433.46	-5.50	8.31	-14.57	8.30	12.83	290.61
Industrials	1009.04	-5.22	17.05	-4.30	34.54	40.59	466.82
Consumer Discretionary	716.66	-4.84	11.39	-10.83	7.15	11.34	260.28
Consumer Staples	1645.38	-1.81	3.85	-6.47	-5.00	13.54	844.45
Health Care	1920.85	-3.90	13.25	-9.05	45.37	88.50	985.75
Financials	944.76	-5.71	13.48	-8.83	20.58	41.07	185.56
Information Technology	2708.15	-4.32	24.63	1.41	57.41	80.21	221.39
Communication Services	166.43	-7.58	12.59	4.42	-34.18	-38.94	-64.82
Utilities	611.90	0.35	11.63	10.45	31.75	47.67	341.75
Real Estate	231.39	2.06	13.14	-3.09	-	-	-
S&P MidCap 400	1881.20	-4.35	13.12	-8.00	20.22	30.80	323.06
<b>S&amp;P SMALLCAP 600</b>	<b>PRICE</b>	<b>1-MONTH (%)</b>	<b>YTD (%)</b>	<b>1-YEAR (%)</b>	<b>3-YEAR (%)</b>	<b>5-YEAR (%)</b>	<b>FR 12/99 (%)</b>
Energy	254.22	-17.29	-20.61	-57.37	-58.95	-85.80	63.59
Materials	413.75	-9.47	1.83	-26.45	3.97	-13.94	200.12
Industrials	1055.78	-5.31	14.46	-14.66	29.46	46.20	428.05
Consumer Discretionary	528.28	-3.76	4.08	-19.41	17.05	23.84	289.79
Consumer Staples	1704.07	-3.21	2.70	-14.59	5.37	35.09	754.81
Health Care	2758.33	-2.53	6.60	-20.53	56.81	107.87	1423.60
Financials	1010.98	-5.78	6.53	-12.67	23.06	43.11	245.15
Information Technology	727.10	-4.18	20.21	-7.28	35.69	77.33	165.88
Communication Services	2.95	-3.28	5.36	-12.46	20.41	27.43	-95.98
Utilities	1126.15	3.74	21.29	14.16	43.22	87.68	499.97
Real Estate	193.69	-0.31	13.21	-5.96	-	-	-
S&P SmallCap 600	918.74	-4.64	8.73	-16.35	22.00	36.74	364.50

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

**Exhibit 3: Total Returns**

INDEX	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
S&P 500	-1.58	6.87	18.34	2.92	43.15	61.89	253.08
S&P MidCap 400	-4.19	4.35	14.37	-6.43	26.17	41.74	234.97
S&P SmallCap 600	-4.51	3.77	9.80	-15.06	27.27	46.74	246.07
S&P Composite 1500	-1.83	-0.33	17.85	1.72	41.51	60.04	252.43
Dow Jones Industrial Average	-1.32	7.07	15.14	4.12	54.07	74.46	257.85

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 4: S&P Global BMI, Emerging, Sorted by August Performance**

BMI MEMBER	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Global	-2.68	3.46	11.70	-3.43	5.85	21.68
Global Ex-U.S.	-3.22	0.68	6.41	-6.52	-5.46	9.76
Emerging	-4.77	-1.24	3.90	-4.11	-7.56	11.99
Egypt	10.52	8.79	27.33	6.49	24.70	3.57
Mexico	-1.24	-2.34	0.87	-17.20	-25.73	-16.14
Thailand	-2.35	5.96	14.43	4.48	11.77	21.05
Taiwan	-2.83	2.92	8.20	-6.32	-4.39	17.60
Qatar	-3.13	-0.64	-4.40	1.54	13.58	-5.69
Philippines	-3.41	-0.52	7.28	3.64	-2.88	-9.05
Indonesia	-3.55	3.08	4.19	9.56	-0.70	3.90
India	-3.62	-9.77	-3.39	-10.38	-6.24	13.88
Colombia	-3.83	3.66	13.35	-8.30	-8.87	-1.40
Malaysia	-4.12	-2.83	-3.43	-13.24	-8.48	-7.00
China	-4.31	0.90	5.00	-8.28	-9.62	16.49
U.A.E.	-4.63	2.51	3.69	-2.97	-9.52	-5.96
Greece	-4.64	2.71	31.27	3.44	-12.79	25.71
Hungary	-4.85	-7.04	-5.95	0.18	-13.02	26.52
Peru	-5.07	-5.36	-4.63	-5.16	1.01	29.49
Czech Republic	-5.20	-5.40	-6.25	-13.96	-4.76	17.84
Russia	-5.33	0.03	20.83	17.02	16.45	37.84
Chile	-6.13	-5.49	-11.87	-16.50	-23.44	1.97
Pakistan	-6.49	-23.29	-30.25	-47.87	-46.00	-41.50
Saudi Arabia	-7.81	-5.91	2.82	1.09	13.70	36.65
South Africa	-8.63	-5.76	-3.19	-9.44	-19.57	-5.35
Poland	-8.86	-7.79	-10.65	-15.50	-24.76	13.63
Brazil	-9.36	-0.31	8.21	30.43	4.69	28.89
Turkey	-9.65	7.67	-1.70	20.38	-47.59	-36.25

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

<b>Exhibit 5: S&amp;P Global BMI, Developed, Sorted by August Performance</b>						
<b>BMI MEMBER</b>	<b>1-MONTH (%)</b>	<b>3-MONTH (%)</b>	<b>YTD (%)</b>	<b>1-YEAR (%)</b>	<b>2-YEAR (%)</b>	<b>3-YEAR (%)</b>
Developed	-2.44	4.02	12.63	-3.33	7.51	22.84
Developed Ex-U.S.	-2.77	1.24	7.13	-7.14	-4.87	9.23
Denmark	1.06	3.23	10.91	-5.81	-5.16	10.86
Switzerland	0.11	6.24	18.79	7.09	8.76	23.08
Japan	-1.14	2.47	5.05	-8.27	-1.97	11.34
Canada	-1.16	4.25	17.72	-1.62	1.58	10.94
France	-1.71	3.53	11.14	-5.23	-1.02	22.80
Italy	-1.79	5.52	10.41	-3.06	-10.84	20.94
Netherlands	-1.83	5.33	17.63	0.60	4.14	29.95
United States	-2.22	5.90	16.52	-0.66	17.28	33.47
Ireland	-2.49	-1.07	7.80	-12.88	-9.65	1.49
Portugal	-2.50	-1.31	2.51	-13.43	-9.77	4.24
Finland	-2.97	-0.34	-1.69	-17.91	-13.44	3.52
Germany	-2.99	0.19	4.80	-13.61	-13.49	3.48
Spain	-3.24	-3.76	0.01	-10.56	-19.62	0.86
Sweden	-4.15	1.68	4.79	-8.12	-11.86	4.81
Belgium	-4.20	8.12	18.62	-5.15	-13.54	-6.34
Norway	-4.28	-4.16	-1.29	-16.60	-8.18	13.18
Israel	-4.98	1.20	8.47	-6.32	13.61	1.95
Korea	-5.02	-4.91	-9.86	-22.55	-20.12	-6.64
Australia	-5.02	0.62	12.50	-2.03	-0.55	10.86
Austria	-5.13	-0.53	4.76	-18.62	-14.72	27.24
United Kingdom	-5.26	-3.12	2.64	-9.75	-8.38	-0.95
New Zealand	-5.30	2.80	14.70	7.12	15.46	15.40
Singapore	-6.25	2.05	4.04	-2.70	-3.96	12.03
Luxembourg	-8.04	-0.98	-18.45	-36.01	-33.67	-19.48
Hong Kong	-8.32	-5.92	-0.25	-6.90	-6.65	6.38

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

<b>Exhibit 6: Price-to-Earnings Ratios</b>				
<b>INDEX</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>ESTIMATED 2019</b>
S&P 500	21.07	21.47	19.30	18.06
S&P 500 Consumer Discretionary	19.45	22.29	23.61	22.98
S&P 500 Consumer Staples	20.99	21.50	21.17	20.55
S&P 500 Energy	-158.88	40.17	13.78	18.74
S&P 500 Financials	16.25	17.45	14.26	11.25
S&P 500 Health Care	18.77	21.21	20.92	16.88
S&P 500 Industrials	19.88	21.06	16.99	17.05
S&P 500 Information Technology	21.27	21.87	21.87	21.33
S&P 500 Materials	23.99	22.06	16.42	18.53
S&P 500 Communication Services	17.91	16.31	14.14	18.89
S&P 500 Utilities	18.06	18.40	20.50	20.15
S&P 500 Real Estate	25.78	36.40	37.88	38.85
<b>INDEX</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>ESTIMATED 2019</b>
S&P MidCap 400	25.73	24.33	19.60	17.89
S&P 400 Consumer Discretionary	17.78	18.76	13.97	16.21
S&P 400 Consumer Staples	24.01	23.47	19.85	20.32
S&P 400 Energy	-9.56	-263.86	-161.45	48.99
S&P 400 Financials	20.15	19.51	15.08	11.12
S&P 400 Health Care	26.19	30.96	32.35	20.56
S&P 400 Industrials	20.87	22.44	18.16	17.13
S&P 400 Information Technology	31.15	30.96	27.44	24.74
S&P 400 Materials	23.95	18.64	11.88	14.77
S&P 400 Communication Services	82.36	-12.96	22.99	22.07
S&P 400 Utilities	20.07	20.16	23.92	22.71
S&P 400 Real Estate	28.30	31.33	24.69	31.92
<b>INDEX</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>ESTIMATED 2019</b>
S&P SmallCap 600	32.73	30.02	23.53	20.96
S&P 600 Consumer Discretionary	20.24	23.27	15.86	15.02
S&P 600 Consumer Staples	21.65	27.78	29.34	25.78
S&P 600 Energy	-6.44	-27.40	34.54	273.35
S&P 600 Financials	21.61	19.29	16.61	13.32
S&P 600 Health Care	126.38	-513.58	179.81	68.31
S&P 600 Industrials	24.57	23.94	19.52	17.47
S&P 600 Information Technology	35.88	28.87	32.09	28.52
S&P 600 Materials	25.45	22.76	15.87	16.24
S&P 600 Communication Services	41.43	284.00	-295.00	NM
S&P 600 Utilities	23.24	26.50	28.93	47.44
S&P 600 Real Estate	29.05	33.24	44.84	32.39

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 7: Operating EPS Changes**

<b>INDEX</b>	<b>Q4 2018 OVER Q4 2017 (%)</b>	<b>Q1 2019 OVER Q1 2018 (%)</b>	<b>Q2 2019E OVER Q2 2018 (%)</b>	<b>Q3 2019E OVER Q3 2018 (%)</b>	<b>Q4 2019E OVER Q4 2018 (%)</b>	<b>2018 OVER 2017 (%)</b>	<b>2019E OVER 2018 (%)</b>
S&P 500	3.49	3.97	4.66	-0.70	21.44	21.76	6.91
S&P 500 Consumer Discretionary	0.52	-0.87	-3.06	3.15	12.00	13.05	2.74
S&P 500 Consumer Staples	-4.04	3.25	-0.39	0.26	9.40	7.47	3.00
S&P 500 Energy	214.68	-40.48	-17.87	-21.92	-27.22	130.40	-26.45
S&P 500 Financials	-34.64	39.21	13.39	-8.47	113.13	17.53	26.82
S&P 500 Health Care	7.36	16.79	18.49	25.80	34.58	10.98	23.94
S&P 500 Industrials	14.39	-5.49	-4.02	-1.42	9.91	23.61	-0.35
S&P 500 Information Technology	-0.87	-8.04	8.91	-2.64	11.56	25.93	2.53
S&P 500 Materials	20.45	-26.23	-13.88	-10.47	10.23	25.61	-11.40
S&P 500 Communication Services	11.86	-41.78	-45.13	2.83	11.06	15.72	-25.13
S&P 500 Utilities	-23.53	-7.42	-2.87	-3.31	37.18	6.06	1.75
S&P 500 Real Estate	28.99	-4.03	46.21	-21.43	-23.03	14.29	-2.50
<b>INDEX</b>	<b>Q4 2018 OVER Q4 2017 (%)</b>	<b>Q1 2019 OVER Q1 2018 (%)</b>	<b>Q2 2019E OVER Q2 2018 (%)</b>	<b>Q3 2019E OVER Q3 2018 (%)</b>	<b>Q4 2019E OVER Q4 2018 (%)</b>	<b>2018 OVER 2017 (%)</b>	<b>2019E OVER 2018 (%)</b>
S&P MidCap 400	-4.89	8.25	1.16	-2.55	36.56	22.86	9.56
S&P 400 Consumer Discretionary	24.14	-19.54	-17.40	-14.45	-6.74	20.91	-13.82
S&P 400 Consumer Staples	-4.69	-21.58	-7.46	3.60	22.63	12.65	-2.30
S&P 400 Energy	-81.69	-79.66	183.79	-638.10	3.17	17.50	429.55
S&P 400 Financials	-31.35	43.05	13.78	9.74	115.77	20.93	35.60
S&P 400 Health Care	-88.81	62.85	3.21	6.06	1523.33	15.01	57.35
S&P 400 Industrials	22.51	8.30	-5.90	10.36	11.73	21.63	6.03
S&P 400 Information Technology	47.19	-5.38	-9.99	19.03	28.81	32.16	10.88
S&P 400 Materials	5.08	2.05	-28.23	-30.80	-11.95	32.87	-19.59
S&P 400 Communication Services	185.34	-24.73	28.93	-0.93	19.63	163.62	4.14
S&P 400 Utilities	-17.91	7.49	-30.42	6.07	27.32	-2.25	5.32
S&P 400 Real Estate	-36.25	-12.61	-29.70	-46.53	19.61	28.71	-22.63
<b>INDEX</b>	<b>Q4 2018 OVER Q4 2017 (%)</b>	<b>Q1 2019 OVER Q1 2018 (%)</b>	<b>Q2 2019E OVER Q2 2018 (%)</b>	<b>Q3 2019E OVER Q3 2018 (%)</b>	<b>Q4 2019E OVER Q4 2018 (%)</b>	<b>2018 OVER 2017 (%)</b>	<b>2019E OVER 2018 (%)</b>
S&P SmallCap 600	15.62	-23.41	5.06	20.97	44.22	25.17	12.30
S&P 600 Consumer Discretionary	12.38	-8.93	-10.88	5.87	28.07	38.56	5.58
S&P 600 Consumer Staples	-56.15	-43.99	7.64	116.54	143.25	-8.99	13.79
S&P 600 Energy	365.57	-6436.36	145.89	-60.12	-84.49	135.90	-87.36
S&P 600 Financials	-37.73	9.61	-9.09	27.26	111.89	13.16	24.75
S&P 600 Health Care	70.99	-140.53	-75.56	4167.50	752.32	434.93	163.23
S&P 600 Industrials	18.50	3.14	12.29	10.53	19.17	22.26	11.76
S&P 600 Information Technology	1.61	-59.77	-19.29	67.24	49.43	-1.95	12.49
S&P 600 Materials	-24.95	-13.55	-10.89	-15.70	57.82	12.23	-2.30
S&P 600 Communication Services	400.00	-100.00	150.00	100.00	-66.67	-	-
S&P 600 Utilities	-4.38	-26.38	-29.74	73.20	-100.00	7.51	-39.02
S&P 600 Real Estate	-102.94	34.85	58.06	-29.30	2900.00	-29.41	38.43

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 8: Breadth of Change (Issues with Monthly Price Changes as Described by Type)**

<b>S&amp;P 500</b>						
<b>TYPE</b>	<b>AUGUST 2019</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	193	5.11	345	11.07	381	25.02
Down	312	-8.60	159	-9.40	119	-14.53
Up >= 10%	15	13.71	165	17.72	310	29.49
Down <= -10%	102	-15.93	61	-17.28	66	-22.69
Up >= 25%	0	0.00	19	31.26	162	40.39
Down <= -25%	10	-32.40	12	-29.58	23	-35.30
Up >= 50%	0	0.00	1	53.87	34	60.98
Down <= -50%	0	0.00	0	0.00	2	-54.05
<b>S&amp;P MIDCAP 400</b>						
<b>TYPE</b>	<b>AUGUST 2019</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	107	5.55	224	13.31	273	24.81
Down	293	-10.50	175	-12.92	126	-20.86
Up >= 10%	17	16.29	113	21.86	205	31.25
Down <= -10%	113	-19.88	78	-23.62	80	-29.65
Up >= 25%	2	33.25	32	36.50	106	44.16
Down <= -25%	26	-34.70	26	-38.80	44	-40.88
Up >= 50%	0	0.00	5	60.71	24	69.44
Down <= -50%	2	-57.54	4	-59.64	11	-61.91
<b>S&amp;P SMALLCAP 600</b>						
<b>TYPE</b>	<b>AUGUST 2019</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	169	9.19	324	16.09	346	30.84
Down	432	-11.72	276	-15.14	254	-24.85
Up >= 10%	53	20.24	190	24.27	267	38.46
Down <= -10%	206	-19.12	142	-25.51	182	-33.10
Up >= 25%	11	40.39	67	39.48	156	54.17
Down <= -25%	36	-37.29	52	-40.63	103	-44.98
Up >= 50%	1	87.45	12	70.82	61	83.56
Down <= -50%	6	-57.62	13	-63.04	31	-66.74
<b>DOW JONES INDUSTRIAL AVERAGE</b>						
<b>TYPE</b>	<b>AUGUST 2019</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	11	3.56	23	8.60	23	19.20
Down	19	-6.31	7	-6.07	6	-11.95
Up >= 10%	0	0.00	8	14.51	18	23.37
Down <= -10%	2	-13.75	2	-12.21	3	-19.59
Up >= 25%	0	0.00	0	0.00	7	31.43
Down <= -25%	0	0.00	0	0.00	1	-25.08
Up >= 50%	0	0.00	0	0.00	0	0.00
Down <= -50%	0	0.00	0	0.00	0	0.00

Source: S&P Dow Jones Indices LLC. Data as of Aug. 30, 2019. Past performance is no guarantee of future results. Table is provided for illustrative purposes.



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