

U.S. stocks deliver a strong quarter

Domestic equities were a mixed bag toward the end of September, but did quite well over the quarter. The Dow Jones Industrial Average is up 9% for the third quarter; the broad-market S&P 500 posted its best quarter in almost five years, up 7.2%; and the NASDAQ is up 7.1%.

Headline news coming out of Washington, D.C., has given investors quite a few things to think about with midterm elections, the Mueller investigation, China trade tariffs and other unknowns, yet some investors have compartmentalized the fluidity of D.C.-related risk and have focused more on the strong underlying fundamentals of the economy and earnings, according to Ed Mills, Raymond James Washington policy analyst. On Friday, the president signed an \$853 billion bill to fund the military and domestic programs, averting a partial government shutdown ahead of the midterms and postponing a potential showdown.

“We have long said that, in D.C., nothing is ever as bad as you fear nor as good as you hope,” Mills commented. “We are concerned that the current compartmentalization is underpricing this risk.”

	12/29/17 Close	9/28/18 Close	Change Year to Date	% Gain/Loss Year to Date
DJIA	24,719.22	26,458.31	+1,739.09	+7.04%
NASDAQ	6,903.39	8,046.35	+1,142.96	+16.56%
S&P 500	2,673.61	2,913.98	+240.37	+8.99%
MSCI EAFE	2,050.79	1,973.60	-77.19	-3.76%
Russell 2000	1,535.51	1,696.57	+161.06	+10.49%
Bloomberg Barclays Aggregate Bond	2,046.37	2,013.24	-33.13	-1.62%

Performance reflects price returns as of 4:30 EDT on Sept. 28, 2018.

Should anything change, I'll be sure to keep you updated on anything that could affect your long-term financial plan. Thank you for your trust in me.

Sincerely,

Amy Smith, CFP®
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