

2018: A year of mixed (market) signals

While the global equity markets enjoyed one of their best years in 2017, 2018 offered a different story, bookended by early- and late-year volatility. The last week in December, for example, saw stocks attempt a rebound from the edge of bear market territory. According to Bloomberg data, it was the first time since May 2010 that the S&P 500 had posted such a large reversal.

This year told a tale of trade conflicts with China, the intensifying Mueller investigation, geopolitical tensions, government shutdowns over the budget and the possibility of slower economic growth amid higher interest rates. While we've seen some progress on trade talks with China, there are still contentious issues to be ironed out, explains Washington Policy Analyst Ed Mills.

This is the first year in nearly a decade in which most major asset classes will end in negative territory, notes Peter Greenberger, director, Mutual Fund & 529 Plan Product Management. A particularly turbulent December brought almost daily gyrations, with the three major domestic indices ping-ponging between gains and losses.

	12/29/17 Close	12/31/18 Close	Change Year to Date	% Gain/Loss Year to Date
DJIA	24,719.22	23,327.46	-1,391.76	-5.63%
NASDAQ	6,903.39	6,635.28	-268.11	-3.88%
S&P 500	2,673.61	2,506.85	-166.76	-6.24%
MSCI EAFE	2,050.79	1,719.94	-330.85	-16.13%
Russell 2000	1,535.51	1,348.56	-186.95	-12.18%
Bloomberg Barclays Aggregate Bond	2,046.37	2,046.60	+0.23	+0.01%

Performance reflects price returns as of 4:30 ET on Dec. 31, 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. We wish you a healthy and prosperous 2019!

Sincerely,

Amy Smith, CFP®
 Financial Advisor, RJFS

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