

**Equities reach new highs in December**

A December rally in the equity markets punctuated an already strong year – quite a reversal from a year ago.

In 2018, the worst December in history pulled annual returns for most major asset classes into negative territory. In 2019, domestic and international markets responded positively to December news of an agreement in the U.S.-China trade dispute and the avoidance of a no-deal Brexit, while largely brushing off the impeachment of President Donald Trump. Overall, investors regained their appetite for risk in 2019, pushing major U.S. stock indices to multiple new highs.

The S&P 500 gained 2.86% in December and 28.88% for the year, representing the strongest year since 2013 for the broad U.S.-market index. The Dow Jones Industrial Average (1.74%), NASDAQ (3.54%) and Russell 2000 (2.71%) also made positive strides during December.

Solid fundamentals, accommodative central bank policy – 65% of central banks eased policy in 2019, including the U.S. Federal Reserve, compared to just 5% in 2018 – and strong holiday shopping sales also contributed to the rally, according to Chief Investment Officer Larry Adam.

In Washington, D.C., agreements on trade and a bipartisan government funding package also removed lingering uncertainties, according to Raymond James' Washington Policy Analyst Ed Mills.

Despite declining bond prices in December, core fixed income had its strongest year since 2002, with the Bloomberg Barclays U.S. Aggregate Bond TR index returning 8.72% for the year.

	12/31/18 Close	12/31/19 Close	Change Year to Date	% Gain/Loss Year to Date
DJIA	23,327.46	28,538.44	+5,210.98	+22.34%
NASDAQ	6,635.28	8,972.61	+2,337.33	+35.23%
S&P 500	2,506.85	3,230.78	+723.93	+28.88%
MSCI EAFE	1,719.94	2,036.96	+317.02	+18.43%
Russell 2000	1,348.56	1,668.47	+319.91	+23.72%
Bloomberg Barclays Aggregate Bond	2,046.60	2,225.00	+178.40	+8.72%

Performance reflects price returns as of market close on December 31, 2019

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.

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