THE PRIVATE CLIENT GROUP
WEALTH MANAGEMENT

~ NOVEMBER 2018 NEWSLETTER ~

Monthly Summary

U.S. stocks recovered in November despite sharp price swings as investors reacted to the day's headlines. Technology and financial companies were hard hit, particularly those with a consumer focus. Investors shifted to defensive sectors such as health care and utilities as they digested signs the global economy may be slowing. In the U.S., incomes and consumer spending are still rising against the backdrop of a healthy labor market but housing and construction has stalled, with home sales and prices falling over the past year. Although initial jobless claims are up, the number of jobs has been growing at a robust pace. Manufacturing has slowed globally and the ongoing tension between the U.S. and its trading partners has been a major cause of market stress. While an increase in stock market volatility may seem to be a warning sign, recent levels are actually in a historically normal range.

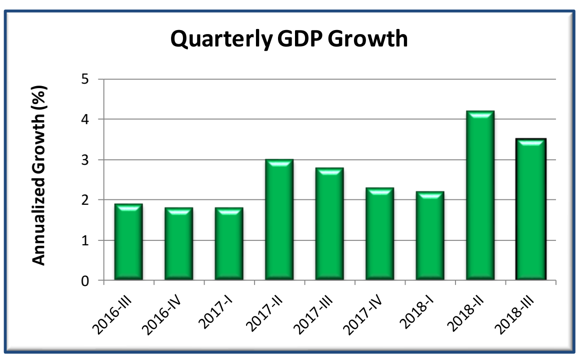
Year to date, U.S. stocks are the only major asset class with a positive return. Emerging markets were the top performers for the month but remain in correction territory. Concerns over Brexit weighed on the European stock markets. Returns from fixed income and commodities were lackluster. Recent comments from the Federal Reserve suggesting the pace of interest rate hikes will be slower than expected were well received by the markets. However, the growing concentration of lower quality bonds vulnerable to rising interest rates and a weaker economy is raising alarm bells. Municipals were the strongest bond sector during the month, benefitting from both a healthier credit environment than corporate bonds and a reduction in supply. The price of oil has been volatile in the face of geopolitical tensions, but most commodity sectors are being weighed down by growth concerns.

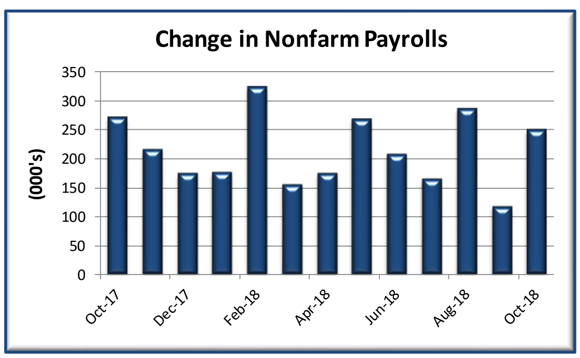
Economic Data

General	Prior	Current
GDP growth	4.2% (Q2 2018)	3.5% (Q3 2018)
Trade balance	-$54.5B (Sep)	-$55.5B (Oct)

Employment	Prior	Current
Initial jobless claims	225,000 (11/18)	235,000 (11/25)
Continuing claims	1.71MM (11/18)	1.63MM (11/25)
Change in non-farm payrolls	118,000 (Sep)	250,000 (Oct)
Unemployment rate	3.7% (Sep)	3.7% (Oct)
Average weekly hours	34.5 (Sep)	34.5 (Oct)

Consumer	Prior	Current
Consumer confidence index (Conference Board)	137.9 (Oct)	135.7 (Nov)
Retail sales growth	-0.1% (Sep)	0.8% (Oct)
Change in consumer credit	$22.9B (Aug)	$10.9B (Sep)

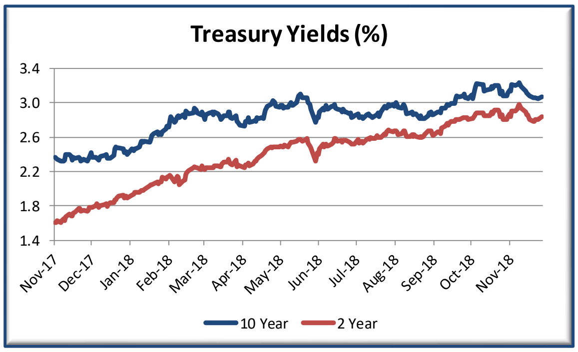


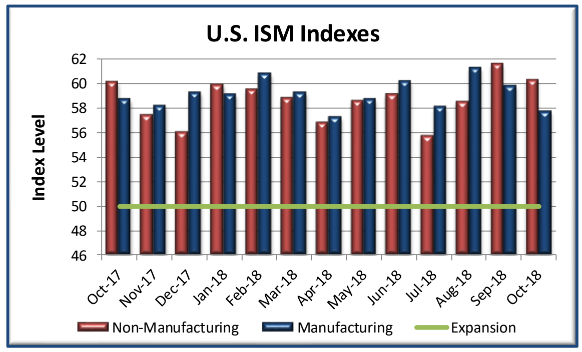


Manufacturing & Service	Prior	Current
ISM manufacturing index	57.7 (Oct)	59.3 (Nov)
ISM non-manufacturing index	60.3 (Oct)	60.7 (Nov)
Durable goods orders growth	-0.1% (Sep)	-4.4% (Oct)
Industrial production growth	5.6% (Sep)	4.1% (Oct)
Capacity utilization	78.5% (Sep)	78.4% (Oct)

Real Estate	Prior	Current
New home sales	597,000 (Sep)	544,000 (Oct)
Existing home sales	5.2MM (Sep)	5.2MM (Oct)
S&P CoreLogic CS home price index (YoY)	5.7% (Aug)	5.5% (Sep)

Inflation	Prior	Current
Consumer price index/Core (YoY growth)	2.3%/2.2% (Sep)	2.5%/2.1% (Oct)
Producer price index/Core (YoY growth)	2.6%/2.9% (Sep)	2.9%/2.8% (Oct)





Market Returns

	Nov 2018	YTD 2018
Fixed Income		
BBgBarc Aggregate Bond	0.6%	-1.8%
BBgBarc Municipal Bond	1.1%	0.1%
BBgBarc Gbl Agg. ex. U.S.	0.1%	-4.3%
Alternatives		
Bloomberg Commodity	-0.6%	-4.7%
DJ U.S. Real Estate	4.7%	4.0%

	Nov 2018	YTD 2018
Domestic Equities		
Wilshire 5000	1.9%	4.4%
S&P 500	2.0%	5.1%
Russell 2000	1.6%	1.0%
International Equities		
MSCI EAFE (Developed)	-0.1%	-9.4%
MSCI EM (Emerging)	4.1%	-12.2%