

# Morning Market Report



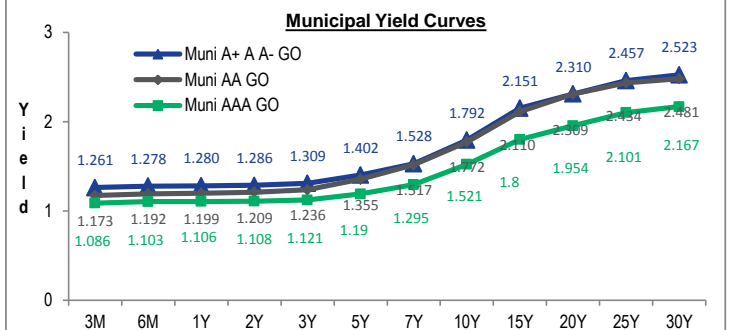
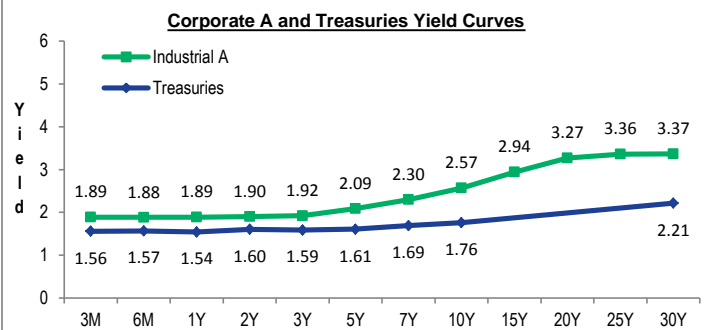
FIFTH THIRD BANK

Compiled by: Investment Strategy Team

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Equity Markets (Total Returns (change in closing price + dividend yield))					
Index	Level	Daily	MTD	YTD	1-Year
MSCI AC World	542.35	-0.25%	1.63%	21.92%	16.58%
S&P 500	3103.54	-0.15%	2.34%	26.05%	19.51%
S&P 400	1980.44	-0.68%	1.39%	20.85%	10.21%
S&P 100	1381.29	-0.05%	2.54%	26.43%	20.46%
Russell 2500	649.52	-0.52%	2.19%	22.58%	12.72%
Russell 2000	1583.96	-0.48%	1.47%	18.88%	7.96%
DJIA	27766.29	-0.16%	2.93%	21.66%	16.27%
NASDAQ	8506.21	-0.24%	2.71%	29.49%	23.39%
MSCI EAFE	1963.04	-0.30%	0.55%	18.16%	13.33%
MSCI EM	1044.58	-0.70%	0.29%	10.98%	10.34%
S&P U.S. REIT	1468.69	-1.43%	-3.04%	23.38%	15.88%
Alerian MLPI	345.63	2.23%	-5.03%	-1.11%	-9.79%
S&P Global Infrastr	2692.31	-0.38%	-0.44%	22.05%	19.97%
HFRX Global HF	1269.69	-0.04%	0.46%	6.71%	5.39%

Other Markets					
Index	Level	Daily	MTD	YTD	1-Year
U.S. Dollar	97.99	0.06%	0.66%	1.89%	1.32%
Gold (oz.)	1464.41	-0.49%	-3.21%	14.18%	19.44%
Oil (barrel)	58.58	2.57%	8.12%	29.00%	7.23%
Commodity (CRB)	387.60	-0.10%	-0.49%	-5.27%	-6.93%
BB Municipal	1265.38	-0.01%	0.07%	7.01%	8.93%
BB Int. Gov/Cred.	2232.13	-0.13%	-0.19%	6.62%	8.19%
BB Agg. Bond	2222.83	-0.15%	-0.22%	8.61%	10.79%
BB High Yield	2129.48	-0.04%	-0.17%	11.53%	9.46%
BB U.S. TIPS	316.47	-0.11%	0.24%	8.11%	8.91%
BB Global ex. USD	480.47	-0.01%	-1.02%	4.31%	6.48%
JPM EM Bond	923.54	0.05%	-0.82%	12.37%	14.36%
LIBOR 1-month:	1.72%	3-month:	1.90%	12-month:	1.91%
Secured Overnight Financing Rate (SOFR):	1.58%	Fed Funds:	1.75%		
Bankrate.com 30yr fixed mortgage average:	3.72%	Prime Rate:	4.75%		



## Overnight News

- > U.S. equity index futures edged higher as investors assessed the latest headlines on the trade dispute between the U.S. and China. Contracts on all three major benchmarks pointed to a firm open, though they briefly erased gains earlier.
- > Trade headlines have been mixed this week. Chinese Vice Premier Liu He invited Robert Lighthizer to Beijing for continued negotiations later this month, according to reports. Washington will likely postpone new tariffs scheduled for December even without a deal.
- > Treasuries turned higher, with the 10-year yield dropping three basis points. The U.S. dollar edged up against major peers.
- > Europe's benchmark index rose, with miners and energy companies helping lead the gain after oil's strongest close since September. Government bonds in the region reversed losses after a measure of services in the euro area disappointed. The euro fluctuated.
- > The British pound fell, boosting U.K. equities, following a disappointing reading of U.K. company sentiment.
- > Stocks in Asia rose, paring some of its weekly loss. Japanese shares steadied after three days of declines, while stocks in Australia and Hong Kong climbed, and those in China slipped. The Japanese yen was stronger versus the dollar and the yuan weakened.
- > West Texas Intermediate (WTI) crude oil pared its third weekly advance. Gold edged higher as investors weighed a week of mixed reports on the U.S.-China trade dispute. Other precious metals also gained. Wheat rose in Chicago.

## Economic Reports

- > Eurozone composite PMI fell to 50.3 in November, missing estimates. The reading is just above the level of 50 that denotes expansion from contraction. Orders declined for a third straight month and employment growth slipped to the lowest in almost five years.
- > France was a bright spot, with its manufacturing PMI rising to 51.6 from 50.6, beating consensus. The services gauge stayed at 52.9. Germany's manufacturing PMI improved to 43.8 from 42.1 in October. Services slipped slightly to 51.3 from 51.6 previously.
- > The U.K. services PMI slipped to 48.6, while manufacturing PMI was 48.3. The composite gauge was the worst since July 2016.
- > Japan's inflation stayed at 0.2% in October, versus consensus for an acceleration to 0.3% after a sales tax hike.

## Company News

- > Nordstrom Inc. (JWN) rose pre-market after reporting quarterly sales and profit that beat analysts' estimates after the close Thursday. Revenue dropped 2%, a smaller decline than expected. The retailer also narrowed the range of its full-year earnings per share forecast.
- > JM Smucker Co. (SJM) cut its adjusted earnings per share forecast for the full year, with the guidance midpoint missing the average analyst estimate. The company said it expects net sales to fall 3% this fiscal year. Shares fell modestly in early trading.
- > Foot Locker (FL) posted higher sales and reported earnings that beat Street estimates for its third quarter. Same store sales rose 5.7%, after a slump in recent quarters. Foot Locker shares traded up 4.4% pre-market on the report.
- > Williams-Sonoma Inc. (WSM) forecast adjusted earnings per share for the full year that missed estimates. Net income fell from a year earlier. Comparable brand revenue grew 5.5%, primarily driven by West Elm and Pottery Barn. Shares dropped 5% before the bell.

Sources: News, economic and market information compiled from various sources including the Wall Street Journal, Bloomberg, Briefing.com, Economy.com, and Investors Business Daily

**Dow Jones Industrial Average** is a price-weighted average of 30 large, frequently traded stocks with the objective of representing large and well-known U.S. companies.

**Standard & Poor's 500 Stock Index** is a composite of 500 of the largest companies in the United States and it often used as a measure of the overall U.S. stock market.

**NASDAQ Composite Index** measures all NASDAQ domestic and non-U.S. based common stocks listed in the NADAQ Stock Market. The index is market value weighted and currently includes over 5,000 companies.

**S&P Midcap 400 Index** provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, measures the performance of mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

**S&P 100 Index** is a sub-set of the S&P 500®, measures the performance of large cap companies in the United States. The Index comprises 100 major, blue chip companies across multiple industry groups. Individual stock options are listed for each index constituent.

**Russell 2000** measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

**Russell 2500 Index** measures the performance of the smallest 2,500 companies in the Russell 3000 Index. This index is constructed to give a comprehensive and unbiased barometer for the small and mid-cap segment of the U.S. equity universe.

**Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index** tracks the performance of intermediate term US government and corporate bonds with maturities between one and ten years. **MSCI AC World Index** offer a modern, seamless, and fully integrated approach to measuring the full equity opportunity set with no gaps or overlaps. MSCI ACWI represents the Modern Index Strategy and captures all sources of equity returns in 23 developed and 23 emerging markets.

**MSCI EAFE Index** is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

**MSCI Emerging Markets Index** a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of May 2017, the MSCI Emerging Markets Index consisted of the following 23 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. Net of taxes is calculated for Morgan Stanley Capital International Equity Indices in U.S. dollars as dividend reinvested minus withholding taxes retained at the source for non-resident individuals who do not benefit from a double taxation treaties.

**Pre-Market S&P Futures** are traded on the Chicago Mercantile Exchange (CME) and closely follow the price movement of the S&P 500 index, providing risk management and investing opportunities for financial professionals and individual investors.

**The U.S. Dollar Index (USDX)** indicates the general int'l value of the USD. The USDX does this by averaging the exchange rates between the USD and 6 major world currencies. The FINEX computes this by using the rates supplied by some 500 banks.

**Gold Spot Price** is quoted as US Dollars per Troy Ounce.

**Oil price** represents Light Crude Oil for current month delivery priced per barrel from the New York Mercantile Exchange.

**Muni AAA GO** is derived from data points on Bloomberg's option-free Fair Market Curves; the yield at each maturity point represents the composite yield of securities around that maturity.

**Corporate Industrials Rated A** yield curve is populated daily with currency denominated fixed-rate bonds within a given industry sector; represents the composite yield of securities around that maturity.

**The Alerian MLP Infrastructure Index** is a composite of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index,

whose 25 constituents earn the majority of their cash flow from the transportation, storage, and processing of energy commodities, is disseminated real-time on a price-return basis (AMZI)

**Bloomberg Barclays U.S. Municipal Bond Index** covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

**Thompson/Reuters Core Commodity - CRB** is a 4-tiered grouping system of commodity prices designed to reflect the significance of each commodity (Energy 39%, Agriculture 41%, Precious Metals 7%, and Base/Industrial Metals 13%)

**S&P 500 U.S. REIT** defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

**HFEX Global Hedge Fund Index** is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. Hedge Fund Research, Inc. (HFRI) utilizes a UCITSIII compliant methodology to construct the HFEX Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. HFRI Indices utilize state-of-the-art quantitative techniques and analysis; multi-level screening, cluster analysis, Monte-Carlo simulations and optimization techniques ensure that each Index is a pure representation of its corresponding investment focus.

**Bloomberg Barclays U.S. Aggregate Bond Index** is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

**Bloomberg Barclays Global Aggregate ex-USD Bond Index** is a flagship measure of global investment grade debt from twenty-four local currency markets excluding the United States. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

**Bloomberg Barclays U.S. Corporate High Yield Index** represents the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded but, Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. The index includes corporate sectors. The corporate sectors are Industrial, Utility, and Finance, encompassing both US and non-US Corporations. An investment cannot be made directly in a market index.

**Bloomberg Barclays U.S. Treasury Inflation Protected Securities Index** consists of inflation-protection securities issued by the US Treasury. They must have at least one year until final maturity and at least \$250 million par amount outstanding. Also known as "TIPS".

**London Interbank Offered Rate (LIBOR)** is the rate of interest at which banks borrow funds, in marketable size, from other banks in the London interbank market. LIBOR, the most widely used benchmark or reference rate for short term interest rates, is an international rate.

**The indices are unmanaged and do not represent the performance of any particular investment. You cannot invest directly into the indices.**

**U.S. Treasury securities** are direct debt obligations issued and backed by the "full faith and credit" of the United States government, i.e. timely payment of principal and interest is guaranteed. Income from Treasury securities is exempt from state and local, but not federal income tax.

**U.S. Treasury bills** are issued with maturities of three months to one year in denominations beginning at \$1,000. Investors purchase bills at a discounted price from their face value. At maturity, the Treasury redeems the bills at full face value. The difference between the discounted price paid and the face value of the bill when it is redeemed is its return.

**U.S. Treasury notes** are issued with initial maturities of two to ten years and pay interest semi-annually at a fixed, predetermined rate. Notes are issued in minimum denominations of \$1,000.

**U.S. Treasury bonds** are available in maturities of ten to 30 years and pay interest semi-annually at a fixed, predetermined rate. Treasury bonds are issued in minimum denominations of \$1,000.

**The J.P.Morgan Emerging Markets Bond Index Global** tracks total returns for traded external debt instruments in the emerging markets, including U.S. dollar-denominated Brady bonds, loans and Eurobonds with an outstanding face value of at least \$500 million.

**T.E.Y** is the yield equivalence at which the rate of interest on a tax-exempt security and a taxable security of similar quality provide the same return.

The quality of any bond is based on the issuer's financial ability to make interest payments and repay the loan in full at maturity. Standard & Poor's, an independent credit rating services, evaluates the creditworthiness of bonds. They research the financial health of each bond issuer and assign ratings to the bonds being offered.

Bonds rated AAA (highest quality) to BBB (medium) are considered investment grade. Bonds rated BB (speculative) to D (default) are considered non-investment grade. Standard & Poor's append their ratings with a plus or minus indicator to show a bond's ranking within a category. For example, A+ is better than A, and A is better than A-.

All bonds are subject to availability and yields are subject to change. The bond's income may be subject to certain state and local taxes depending upon your tax status and or the federal alternative minimum tax.

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