

## U.S. Equities September 2018

### KEY HIGHLIGHTS

- The [S&P 500®](#) was up 0.43% in September, bringing the YTD return to 8.99%.
- The [Dow Jones Industrial Average®](#) gained 1.90% for the month and was up 7.04% YTD.
- The [S&P MidCap 400®](#) was down 1.23% for the month and up 6.26% YTD.
- The [S&P SmallCap 600®](#) was down 3.32% in September and up 13.42% YTD.

Exhibit 1: Index Returns

INDEX	1-MONTH (%)	3-MONTH	YTD (%)	1-YEAR (%)
S&P 500	0.43	7.20	8.99	15.66
Dow Jones Industrial Average	1.90	9.01	7.04	18.09
S&P MidCap 400	-1.23	3.48	6.26	12.45
S&P SmallCap 600	-3.32	4.38	13.42	17.47

Source: S&P Dow Jones Indices LLC. Data as of Sept. 28, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

### MARKET SNAPSHOT

Wouldn't trade this quarter for a fistful of Bitcoins (maybe if it were back to the USD 19,871 level it was at in December 2017, but not at the current USD 6,661), as the S&P 500 posted a broad gain, increasing in 10 of the 13 weeks for Q3 2018. Additionally, it posted an unusual gain for September (historically the month is down 54.4% of the time, with an average decline of 1.00%), be it just 0.43% (0.57% with dividends)—but it was positive.

While the index closed on one of those three weeks of declines (off 0.54%), no one appeared concerned (absent short sellers, since they were in the red instead of their shorted issues), as the tone on the Street was positive, with the full Q3 2018 period being up 7.20% (7.71% with dividends), its best quarterly gain since the 11.35% return of Q4 2013 and the best Q3 gain since the 10.72% posted in 2010. Moving away from the tick-by-tick and day-by-day trades, the quarter was a success, as the S&P 500 broke out of its trading range (and above 2,900), setting new intraday (2,940.91) and closing (2,930.75) highs, with 5 new closing highs for the quarter (1 in September and 4 in August), and 19 YTD (with 14 of the 19 in January) on strong breadth (348 up and 157 down). The recent gains confirmed the index's latest breakout of its six-month trading range, which produced the new highs.

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*S&P Dow Jones Indices' Market Attributes® series provides market commentary highlighting developments across various asset classes.*

The dear old Dow, which has lagged the S&P 500 since both of their highs on Jan. 26, 2018, posted its 12<sup>th</sup> and 13<sup>th</sup> new highs of the year, and its 100<sup>th</sup> and 101<sup>st</sup> since the election.

What moved the market for the quarter appeared to be technical. Earnings (Q2 2018 was up a preliminary 26.7% year-over-year) were helped by lower tax rates and higher sales (Q2 2018 was up 11.2% year-over-year), as trade issues, while noisy, advanced; the U.S. and Canada remain open and the U.S. and China appear to have increased in tension, but most expected an agreement on both (sooner for Canada, with China later in the year). Of note, most on the Street still see trade issues with China as a major concern, with a trade war possible (as political issues could overpower economic ones). As of September 2018, the S&P 500 was up a pleasing 8.99% YTD and up 10.56% with dividends, an annualized 14.37% rate, which, judging from the bar talk (and how many are offering to buy drinks—can't always tell with traders, they spend even when they don't have the money) few would mind it if the year ended now. Not that the sentiment for Q4 2018 is not positive (though there are always bears and contrarians), but the year has been difficult, with Q3 2018 accounting for most of the gains and helping to keep the optimism going; at this point, Q4 2018 could also be full of turmoil and politics.

The S&P 500 closed at 2,913.98, up 0.43% (up 0.57% with dividends) from last month's 2,901.52 close, when it rose 3.03% (3.26%); for the three-month period, the index was up 7.20% (up 7.21% with dividends); year-to-date, the index was up 8.99% (10.56% with dividends), with the one-year period up 15.66% (17.91% with dividends) and up 36.20% (41.41%) from the Nov. 8, 2016, election's 2,139.56 close. The index posted one new closing high for the month and 19 YTD (last closing high on Sept. 20, 2018, at 2,930.75), with 62 for 2017 (second only to the 77 posted in 1995) and 89 from the election. The Dow<sup>®</sup> closed at 26,458.31, up 1.90% (up 1.97% with dividends) from August's 25,964.82, when it was up 2.16% (2.56%), with the three-month return up 9.01% (9.63%), and a YTD gain of 7.04% (8.83%). The Dow posted two new highs, 13 YTD (the record since 1886 is 71 in 2017, coming 237 days after its Jan. 26, 2018, at 26,616.71; with 101 from the election).

Trade issues continued (again) to dominate the news and global markets, while the U.S. and Canada continued their NAFTA discussion, as the Sept. 30, 2018, agreement deadline approached (notice to U.S. Congress: the Mexican president leaves office Dec. 1, 2018; local Canadian elections are Oct. 1, 2018; and there will be a new U.S. Congress on Jan. 3, 2019). Trump implemented another USD 200 billion in tariffs on China (in addition to the current USD 50 billion), effective Sept. 24, 2018, at a 10% rate, and increasing to 25% on Jan. 1, 2019 (so there is time to talk, and it avoids higher prices for U.S. consumers before the election). Trump also said he is considering adding another USD 287 billion in tariffs (in 2017 Chinese imports were USD 505 billion), as China retaliated with USD 60 billion in tariffs on U.S. goods, also effective Sept. 24, 2018. China then announced (at the end of the month) that it would reduce certain tariffs effective Nov. 1, 2018, as it appears to be preparing for a trade war (perception is important in negotiations). Related, China's trade surplus with the U.S. for August posted a record USD 31.1 billion.

It was a good quarter for the S&P 500, up 7.20% (7.71% with dividends), as the market reacted to record earnings, progress on trade, signs of greater consumer spending (helped by lower taxes), and continued economic growth. The index set its 19<sup>th</sup> record closing high on Sept. 20, 2018, its 89<sup>th</sup> since the U.S. Nov. 8, 2018, election (2,940.91 intraday high and 2,930.75 closing high). The Dow joined in to post its 12<sup>th</sup> and 13<sup>th</sup> on Sept. 20 and 21, 2018, its 100<sup>th</sup> and 101<sup>st</sup> since the election (the new intraday high is 26,969.16, and the new closing high is 26,743.50).

The 10-year U.S. Treasury Bond closed at 3.06%, up from August's 2.86% and July's 2.96%. With S&P 500 Q2 2018 EPS being declared a success and setting a new record, attention is now on Q3 2018, which is expected to also set a new record with a 27.8% gain over Q3 2017, as it posts strong earnings and cash flow, via lower tax rates and stronger sales. The aging bull market (since March 9, 2009) showed no signs of stopping, as the S&P 500 posted new highs and posted an annualized 16.51% equity return and 18.91% with dividends. None of the 63 Q3 2018 trading days posted a move of 1% (historically, from 1928, 23.5% of days have done so), with only 5 having an intraday high/low spread of at least 1% (67.4% from 1962). The YTD day-to-day market, thanks to Q3 2018, has been satisfying, as the YTD stock return was 8.99%, or 12.20% annualized, and total return was 10.56%, or 14.37% annualized (2017 was 19.42% and 21.83%).

Based on the preliminary Q2 2018 S&P 500 earnings reported, the quarter has been declared a great success, posting a 26.7% year-over-year gain, as 80.0% of the issues have beaten their operating estimates, and EPS are setting a third consecutive record quarter. Preliminary sales have posted a strong 11.2% year-over-year gain to set a new record, as 73.6% have beaten estimates. Operating margins are also setting a record at 11.55% (the prior record was 11.40%); the 20-year average is 8.08%. The current Q3 2018 estimate calls for a 28.1% year-over-year gain (the estimate has not changed significantly for the quarter), also setting a new record, while Q4 2018 is expected to post another record, up 25.0% year-over-year. For all of 2018, earnings are on track to post a 26.4% gain over 2017 (with taxes getting most of the credit), and 2019 estimates are pointing to a 12.1% gain over 2018, but are still being seen as slightly optimistic given the uncertainties of the economy. The preliminary Q2 2018 buyback report shows a tick up to a record USD 190.6 billion from the prior Q1 2018 (which was also a record), as Q2 2018 was 58.7% higher year-over-year, with the first half of 2018 posting a 49.9% gain.

In dividends, the September 2018 cash dividend payment was USD 4.03 per share, a 24.46% gain over the September 2017 payment, as the YTD USD 39.56 payment was up 9.42% over the same period for 2017. For the quarter, the S&P 500 set a record payment of USD 13.66 per share (up from USD 13.10 for Q2 2018), or USD 115.7 billion in aggregate (USD 111.6 billion). Year-to-date, there were 291 dividend increases, with only two decreases (as one of the two, Wyndham Worldwide, was due to a spinoff, with the two dividends at the same level as the pre-spinoff rate). I find no parallels in my index history to compare this to (my data starts in 2003). For September, the median dividend increase was 14.29%, down from August's 14.81% and up from July's 13.04%, and the YTD median was 10.34%. The average increase for the month was 14.58% (last month was 16.59%). Year-to-date, the average increase was 14.45% (September was also 14.45%), up from 2017's 11.36%. With the trailing 12-month payment (through September) up 9.42% year-over-year, 2018 is closing in on another annual payment record—its potential seventh in a row. Given the environment, availability of cash, increased income expectations, and the “desire” of companies to show shareholder return, the reappearance of a double-digit actual cash payment gain (year-over-year) now seems slight, as aggregates point to a low 9% increase—still nice (especially given the tax advantages), and still a multiple of the wage growth rate.

Of note, the final Q2 2018 GDP report posted an annual gain of 4.2%, as consumer and business spending increased, along with net exports; Corporate Profits ended the quarter with a 6.4% gain. The U.S. Bureau of Economic Analysis reported that U.S. companies repatriated (as required under current regulations) USD 170 billion in foreign earnings in Q2 2018 (Q1 2018 was USD 295 billion), though

reporting remains incomplete. U.S. household wealth increased USD 2.19 trillion in Q2 2018, to a record USD 106.9 trillion (the S&P 500 market value is USD 24.8 trillion).

The U.S. Congress passed (and sent to President Trump) a temporary funding bill for fiscal year 2019 (starts Oct. 1, 2018) through Dec. 7, 2018; the bill funds the government until then and ensures that Congress will need to readdress the issue (again). Trump addressed the U.N. (in New York), as he pushed his “America First” agenda; the speech was not widely appreciated. Trump and Japanese Prime Minister Abe agreed to start trade talks, with auto sales and tariffs being the main issue. The U.S. Senate Judiciary Committee held hearings on Brett Kavanaugh's record and legal philosophy for his Supreme Court confirmation, as politics were front and center, and allegations of improper sexual activities emerged.

Turkey increased its interest rate to 24% from 17.75%, defying President Recep Tayyip Erdogan's demand to cut them, as the country attempts to address internal economic issues and the declining market. Russia's central bank surprised most as it raised its interest rate to 7.50% from 7.25% after a series of cuts (it was 17% at year-end 2014), as it attempts to defend its currency and concern grows over potential U.S. sanctions. The ECB met and made no changes, though it did state concern over trade issues. The U.S. Fed's Beige Book reported economic growth and optimism, as well as signs of concern over increasing costs and trade issues. The FOMC met and, as expected, increased interest rates by 0.25% (8<sup>th</sup> increase since 2015), as it signaled (12 of 16 members, up from 8 in June) another one in December. The FOMC said it expected GDP to continue up, as unemployment remained low. Notably, it dropped the word “accommodative” but kept the word “gradual” in when referring to the time schedule of increases.

The 10-year U.S. Treasury Bond closed the month at 3.06%, up from last month's 2.86% (2.41% for year-end 2017 and 2.45% for year-end 2016). The pound closed up, at 1.3034 from 1.2960 in August (1.3498 for year-end 2017 and 1.2345 for year-end 2016); the euro was flat at 1.1606 (1.2000, 1.0520), the yen closed at 113.69 from 111.17 (112.68, 117.00); and the yuan closed at 6.8690 from last month's 6.8318 (6.5030, 6.9448). Oil increased to close at USD 73.53 from August's USD 69.92 and July's USD 68.43 (USD 60.09 for year-end 2017 and USD 53.89 for year-end 2016). U.S. gasoline pump prices (EIA, all grades) increased, closing the month at USD 2.923, up from last month's USD 2.906 per gallon (USD 2.589, USD 2.364). Gold was down, closing at USD 1,195.10 from August's USD 1,205.30 and from 1,232.90 for July (USD 1,305.00 for year-end 2017 and USD 1,152.00 for year-end 2016). VIX<sup>®</sup> closed at 12.12, trading as high as 15.63 and as low as 11.10, down from 12.86 for August and July's 12.84 (11.05 at year-end 2017 and 14.04 at year-end 2016). Q2 2018 EPS posted a new record, with a preliminary 26.7% year-over-year gain, as sales set a record, with an 11.2% gain. The preliminary Q2 2018 buyback report showed a tick up to a record USD 190.6 billion from Q1 2018 (which was also a record), as Q2 2018 was 58.7% higher year-over-year, with the first half of 2018 posting a 49.9% gain. Bitcoin closed at USD 6,661, down from August's USD 7,067, trading as high as USD 7,418 and as low as USD 6,131 (USD 13,850 at year-end 2017 and USD 968 at year-end 2016). One-year bottom-up target prices continued to inch up; the S&P 500 target price was 3,184 (9.28% from here; 3,093 in August), as The Dow's was 28,618 (8.24% from here; 28,261 in August).

## INDEX REVIEW

### S&P 500

The S&P 500 broke with tradition in September as it posted a 0.43% gain (5.28% annualized) in a month that traditionally declines (54.4% of the time; average monthly loss of 1.00%). The against-the-grain gain came after two strong broad months (3.03% in August and 3.60% in July) of market performance, all of which were inspired by record earnings (up 26.7% year-over-year for the Q2 2018) and record sales (11.2% year-over-year), which were inspired by lower tax rates, slow progress on trade, and an underlying economy that continued on an upward path, although not always as quickly as projected. Adding to the support was what some now see as a predictable FOMC, which again increased interest rates in Q3 2018 by 0.25% (its fourth consecutive quarterly rate increase, all of 0.25%), with the Street seeing another one in Q4 2018 (expected at the meeting on Dec. 12-13, 2018). At this point, the largest group of predictions call for four more rate increases in 2019, each quarterly, but that group is far from a majority, and all agree the underlying economy (employment, trade) and consumer performance in spending are key.

For the quarter, the index posted a rewarding 7.20% gain (7.71% with dividends), its best quarterly gain since the 11.35% return of Q4 2013 and the best Q3 gain since the 10.72% posted in 2010. Along the way, the index broke through (and continued to hold) the 2,900 level (with the optimists ordering S&P 500 3,000 hats), as it set new intraday (2,940.91) and closing highs (2,930.75). Even the dear old Dow, which has lagged the S&P 500 since both of their highs on Jan. 26, 2018, joined in to set new highs (its new intraday high is 26,969.16, and its new closing high is 26,743.50).

September financial statements (thanks to Q3) will show an 8.99% YTD gain (10.56% with dividends; an annualized 14.37% rate) for the S&P 500. The breakdown, however, will also show a wide variance in 2018 sector performance, as a 25.05% spread between the best-performing group (Information Technology, up 19.52%) and the worst (Consumer Staples, -5.53%) materialized.

As for Q4 2018, sentiment is positive for a continuation of the gains, with the Street starting to focus on the opening test; Q3 2018 reporting (14 of the 16 off-fiscal Q3 earnings have beaten expectations, as 10 of 16 have beaten on sales) starts with the big banks on Oct. 12, 2018 (Citigroup, JPMorgan Chase, and Wells Fargo). Negative guidance has been limited (companies try to get ahead of the bad news), as expectations by the Street are high for another strong record quarter. Potentially countering the impact of record earnings are trade issues with China (given that most expect some form of a Canadian deal on NAFTA), which have now grown into a political issue. Of note, issues remaining in background that could quickly affect the economy and market are the price oil, a quick rise in inflation (potentially commodity inspired), the U.S. dollar's impact on consumers (and profits), and geopolitical issues (Iran, Korea, EU disruption).

September, similar to August and July, saw its volatility decrease, as none of the 19 trading days moved at least 1%, resulting in a quarter of no 1% moves; the last up 1% day was June 1, 2018 (1.08%), and the last 1% decline was on June 25, 2018 (-1.37%), with the last 2% move (up or down) in April 2018. The monthly high/low spread decreased again, to 2.68% from August's 4.30% and July's 5.52% (the recent high was in February, at 11.97%); the one-year average monthly spread was 5.56%, as the 10-year average was 7.09%. Trading volume decreased 10% for the month, but adjusted for actual trading days (19 versus 23), it was down 18%; year-over-year trading was down 6%. Sector return variance declined after last month's sharp increase, which was after three months of declines.

For the month, the spread between the best (Communication Services, formerly Telecommunication Services, up 4.26%) and worst (Real Estate, off 3.17%) sector was 7.43%, down from August's 10.53%, July's 6.25%, and June's 7.13%; the one-year average was 10.01% (last month was 11.00%), as the YTD snapshot spread was 25.05% (27.26%).

For the month, 6 of the 11 sectors gained, down from 8 last month and 11 for July (the market posted broad gains of over 3% both months). The split reflects the issue breadth (a tick positive), as the market digested its prior gains, interpreted the past earnings season, and anticipated both the trade and interest rate predictions. The split, however, ended on the up side, as the month gained and the index set a new high.

For the month, Communication Services did the best, as it underwent a name change from Telecommunication Services. The sector went from 3 issues, with AT&T and Verizon dominating, to 26, now including market cap leaders Alphabet and Facebook, then Verizon and AT&T, followed by Walt Disney, Comcast, and Netflix (all effective with the opening of business on Sept. 24, 2018). For September, the sector was up 4.26%, after last month's 2.93% (when it was only three issues), as the sector remains in the red YTD, off 3.33%. The sector's makeup has drastically changed its characteristics, with investors re-evaluating and sometimes reallocating; the month-end 2019 P/E for the sector is 10.0, compared with 17.6 last month, as the sector's yield declined from 5.53% to 1.41% (it's not the same sector anymore, and they're not the same stats).

Health Care continued to outperform, adding 2.80% for the month and up 14.05% for the quarter (the best of any group), as it posted a 15.17% YTD return (again, the quarter made the YTD). Energy increased 2.43%, as oil moved up (helped by OPEC not increasing production), and it posted a slight 0.11% decline for the quarter and was up 5.16% YTD. Real Estate did the worst, off 3.17% for the month, as it broke from a four-month winning streak to be flat for the quarter (off 0.02%) and down 0.98% YTD. Materials fell 2.28% (after last month's 0.74% decline), as it was near flat for the quarter (off 0.14%) and off 4.17% YTD. Information Technology (which saw some of its issues move to Communication Services this month) fell 0.39% in September after doing the best last month, up 6.74% (up 2.04% in July). The sector posted an 8.39% Q3 gain and a 19.52% YTD gain, the best of any sector. Consumer groups were up (beating the index), but continued to differ. Consumer Discretionary gained 0.97% (after last month's strong 4.98% gain), and it was up 7.81% for the quarter and up 19.47% YTD (just behind Information Technology). Consumer Staples added 0.62% (after last month's 0.34% gain), as it remained 5.53% in the red YTD, the worst sector in the index.

Breadth was flat, as 253 issues gained (an average gain of 4.04%), down from the prior two months of strong gains (315 issues gained in August and 381 were up in July). Thirteen issues gained at least 10% for September (average gain of 14.47%), down from 41 last month (and 54 in July). On the down side, 251 fell (an average loss of 4.12%), up from last month's 189 issues (and 124 in July), as 16 declined at least 10% (an average loss of 12.78%), down from August's 19 and up from 15 in July. Year-to-date, breadth remained positive, but decreased, as 297 issues were up (an average of 20.19% each), down from last month's 304 (July was 289), with 183 (188) up at least 10% and 98 (79) up at least 25%; 208 (201) issues declined (an average of 11.09% each) YTD, as 97 (90) were off at least 10% YTD, with 25 (22) down at least 25% YTD.

## The Dow

The Dow outperformed the other core indices in September, which permitted it to do so for the quarter, as it posted two new closing highs in September in an attempt to make up for its underperformance earlier in the year.

For September, The Dow closed at 26,458.31, up 1.90% (1.97% with dividends) from August's 25,964.82, when it posted a 2.16% (2.56%) gain, after July's 25,415.19 close, when it was up 4.19% (4.83%). The Dow's 1.90% gain far outpaced the S&P 500's 0.43% gain, as well as the losses posted by the mid- (-1.23%) and small-cap (-3.32%) indices. For the quarter, The Dow added 9.01% (9.63%), as the YTD return was up 7.04% (8.83% with dividends) and the one-year return was up 17.47% (20.76%). The Dow posted two new closing highs in September (with the last being on Sept. 21, 2018, at 26,743.50), as well as several intraday new highs (last being on Sept. 21, 2018, at 26,769.16).

For the month, breadth remained positive but declined, even as new highs were posted. For September, 20 of the 30 issues gained, with an average gain of 3.98% each, down from last month's 21 gainers and July's 25 winners (harder to keep the winning ways going). The 10 declining issues averaged a 2.50% loss, compared with last month's 9 decliners (and 5 the month before that). For the three-month period, 27 issues gained (an average of 10.47% each), the same as last month (versus 23 for July), with 12 up at least 10% (down from 18 last month), as 3 were again down for September, (7 were down in July), with none down at least 10% (2 were down 10% in August). Year-to-date, 19 issues gained (an average of 15.90%), up from 16 last month, as 11 were down (an average decline of 5.61%), down from 14 in August and 13 in July. Nine issues were again up at least 10% for September, as two were again down at least 10% YTD.

Issues continued to vary in September, as heavy industrials did the best (top two issues in the index), with earth-moving machinery issue Caterpillar (CAT) adding 9.82% for the month to post a 12.40% quarterly gain, but it remained in the red YTD, off 3.23%. Airplane and defense product issue Boeing (BA) added 8.49% for the month, was up 10.85% for the quarter, and was up 26.11% YTD. . 3M (MMM) fell 0.10%, as it gained 7.11% for the quarter but was down 10.48% YTD. Financials generally did poorly, as property and casualty insurance issue Travelers (TRV) declined 1.44% (up 6.02% for the quarter and down 4.37% YTD), bank issue JPMorgan Chase (JPM) lost 1.52% (up 8.29% for the quarter and up 5.52% YTD), and investment management issue Goldman Sachs Group (GS) was down 5.71% for the month, up 1.66% for the quarter, and off 11.98% YTD (the worst of any issue in The Dow). Last month's shining star, Apple (AAPL), fell 0.83% in September, as the issue digested its new USD 1 trillion market value position; the issue closed the quarter up 21.95%, the best of any Dow issue, and it was up 33.39% YTD. Nike (NKE) added 3.07%, beating its earnings estimate (it is an off-fiscal issue and the first Dow member to report Q3 2018 results), as it was up 6.33% for the quarter and up 35.44% YTD (the best of any Dow issue). Also of note was recently added drug store Walgreens Boot Alliance (WBA), which added 6.33% for the month, was up 21.47% for the quarter, and broke into the black YTD, up 0.39%.

## S&P MidCap 400

The S&P MidCap 400 posted a 1.23% decline for September, after four months of gains (9.20%), as it posted the lowest gain of the core indices for the three-month period (up 5.05%), YTD (up 7.58%), and the one-year period (up 12.45%).

The index posted gains for 5 of the 11 sectors, down from 10 last month and 6 in July. Sector returns narrowed, as the spread between the best and worst group decreased to 7.99% for the month, down from August's 20.94% and July's 13.20%, while the three-month spread declined to 14.48% from last month's 18.46%, with the YTD spread declining to 35.04% from last month's 54.94% (and 57.02% in July). Energy did the best, up 3.80%, as oil increased; the sector was up 3.52% for the quarter and up 20.24% YTD. Communication Services was close behind, up 3.38% for the month; it was up 13.26% for the quarter and up 11.71% YTD. Financials did the worst, off 3.99%, as it posted a negative quarter, off 0.77%, and a negative YTD return, down 1.56%. Real Estate fell 3.06%, as it was off 1.22% for the quarter and off 1.61% YTD. Health Care managed a gain of 0.38%, and it posted 11.97% for the quarter and was up 32.69% YTD, the best of any sector. Both Consumer Discretionary and Consumer Staples fell 1.78% for September, as they posted quarterly declines of 0.98% and 0.24%, respectively. Consumer Discretionary posted a 0.79% YTD decline and Consumer Staples was up 0.06% YTD.

Breadth turned negative for the month, as 153 issues gained (an average of 4.59% each), down from August's 280 and July's 239, while 243 were down (an average of 5.54% each), up from August's 117 issues and July's 159 issues. For the month, 18 issues (53 last month) gained at least 10% (average 14.21%), as 31 (17) declined at least 10% (average loss of 14.00%). Year-to-date, breadth remained positive, but declined, with 218 (247) gaining (average 22.73%) and 175 (146) declined (-14.83%), as 141 (152 last month) were up at least 10% and 94 (72) were down at least 10%.

### **S&P SmallCap 600**

The S&P SmallCap 600 pulled back from its winning ways in September, as its six months of gains (19.21%) came to halt. For September, the small-cap index posted a 3.32% decline, the worst of the headline indices here, and its worst decline since the correction mode of February 2018, when it fell 3.97%. When added to the gains from August (4.72%) and July, the quarter posted a 4.38% gain and was up 13.42% YTD—still the best of any of the core indices. For the one-year period, the index was up 17.47%, as it was up 63.32% for the three-year period (also the best of the headline indices).

Similar to the prior broad gains, the declines were also broad, as 9 of the 11 sectors declined, compared with only 1 decliner last month and none in July (when all 11 were up). Sector variance decreased, as the difference between the best and worst sector was 12.19%, down from August's 13.92%, but significantly up from July's 6.33%. Communication Services did the best, up 5.93%, and it posted the best quarterly return, up 14.06%, as well as the best YTD gain, up 25.70%. Utilities was a profitable sector for the month, up 0.43% (a long distance from Communication Services), as it posted a subpar 2.82% for the quarter and a subpar 3.25% YTD. Information Technology did the worst, off 6.17% for the month, though it was up 2.62% for the quarter and up 10.25% YTD. Health Care pulled back 3.05% after last month's 8.92% gain, as it posted a 9.49% return for the quarter and a 42.74% YTD gain, the best of any sector in any headline index. Consumer groups fell, as Consumer Discretionary declined 3.47% after being up 7.54% last month; the sector posted a 4.78% return for the quarter and a 13.12% gain YTD. Consumer Staples fell 2.48% after last month's 3.63% gain, ending the quarter with a 4.08% gain and posting a 9.73% return YTD. Energy, which did the worst last month (off 5.00%), fell 0.75% in September; it was off 4.23% for the quarter and up 5.23% YTD.

For the month, breadth turned negative; 178 issues gained (an average gain of 5.55%), down from August's 393 and July's 377. On the down side, 423 issues fell (an average loss of 7.09%), up from last month's 209 and July's 224. Gains of at least 10% decreased to 18 from last month's 141 and



July's 94, as 92 issues lost at least 10%, up from last month's 59 and 38 in July. Year-to-date, breadth declined but stayed positive, as 360 issues were up (an average gain of 33.24%), down from August's 409 and July's 381, as 251 were down (194 and 220), with an average loss of 17.32%. Year-to-date, over two-thirds of the index moved up least 10%, 261 (292) up, and 144 (117) moved down at least 10%, as 167 (178) issues moved up at least 25% and 59 (46) declined at least 25%.

## S&P Global BMI

Markets held their own in September, with the U.S. posting a gain despite it being a month with a history for declines (the S&P 500 historically goes down 54.4% of the time in September). For the month, global markets posted a consolidated 0.0036% gain, with the U.S. up 0.93%, leaving the non-U.S. markets down 0.03%. For the quarter, global markets posted a rewarding 3.32% gain, but absent the U.S.'s 6.64% gain, globals were down 0.28. Year-to-date, globals were up 1.97%, but absent the U.S.'s 9.09%, they were in the red, off 5.24%. Going further out, global markets were up 7.50% for the one-year period, but absent the U.S.'s 15.45%, they were down 0.51%. Longer-term yardsticks continued the pattern, as the two-year global return was 25.29% with the U.S. (34.37%) and 16.06% without it, and the three-year was up 37.91%, but absent the U.S. (51.27%), it was up 24.78%.

Trade issues again continued to affect markets, as Mexico and the U.S. came to terms on NAFTA, while the U.S. and Canada continue to talk. The U.S.-China talks remain open; the U.S. added tariffs, while China retaliated and scheduled talks were cancelled. While the Street believes that a deal will eventually be made, the potential for escalation remains.

September market value was up, as the S&P Global BMI increased USD 266 billion for the month (up USD 380 billion in August) and was up USD 996 billion YTD (up USD 730 billion last month). Non-U.S. markets added USD 273 billion for the month, as U.S. markets fell USD 7 billion. The telling stat for the year-to-date is that non-U.S. markets lost USD 1.154 trillion, as the U.S. made USD 2.151 trillion.

Global markets were up 0.0036% for the month, but excluding the U.S.'s 0.03% return they were down 0.03%; for Q3 2018, global markets were up 3.32%, but excluding the U.S.'s 6.64% gain they were down 0.28%; year-to-date, global markets were up 1.97%, but excluding the U.S.'s 9.09% gain, they were down 5.24%. Emerging markets were down 1.60% for the month, off 3.35% for the quarter, and off 10.32% YTD. Developed markets were up 0.17% for the month, up 4.06% for the quarter, and up 3.44% YTD, but excluding the U.S. they were up 0.38%, up 0.53%, and down 3.88%, respectively.

Sector variance increased, as 6 of the 11 sectors posted gains, up from 4 last month, but down from all 11 in the prior month. The spread between the best sector (Energy, up 3.20%) and the worst sector (Real Estate, off 2.98%) for the month was 6.18%, down from last month's 8.45% and the prior month's 4.52%. Year-to-date, Health Care did the best, up 12.65%, and Communication Services did the worst, off 6.49%, resulting in a 19.14% spread (last month was a 22.80% spread).

Emerging markets remained in the red for September, posting a 1.60% decline after August's 3.78% decrease, which was after July's 2.08% gain, as the three-month return was -3.35% (it was -6.04% last month), with the YTD return down 10.32% (-8.87% last month). For September, 9 of the 23 markets gained, up from 6 in August, but down from 17 in July. The one-year return was negative, off 4.44%, as the two-year period was up 13.89%, with the three-year return up 31.14%. Turkey did the best, as it rebounded 18.31% but remained off 45.58% YTD. Russia was next, up 8.83% for the month, as it turned positive YTD, off 1.83%. Brazil followed, adding 6.17% for the month and down 15.84% YTD.

India did the worst, off 10.64%, and it was off 14.62% YTD. The Philippines was next, down 8.19% and down 21.09% YTD, followed by Egypt, which fell 8.11% and was off 1.39% YTD.

Developed markets continued to be profitable, as this month saw non-U.S. markets outperform the U.S. For September, developed markets were up 0.17%, but absent the (unusually subpar) U.S. performance, they were up 0.38% (up 1.19% in August and up 2.66% in July; absent the U.S., August was down 1.68% and July's gain was cut to 1.86%). For the three-month period, developed markets were up 4.06% but up 0.53% without the U.S. Year-to-date, developed markets gained 3.44%, but excluding the U.S., the return was -4.86%. Of the 25 markets, 10 gained for the month, compared with August's 6 and July's 23. Norway did the best, up 6.11% for the month and up 12.06% YTD, as Sweden added 2.43%, but stayed in the red YTD, down 1.12%. Denmark did the worst, off 4.11% and down 4.86% YTD, as the Netherlands fell 3.44% and was down 4.44% YTD. Notably, Japan added 2.17% but remained down YTD, off 0.57%. Canada was still negotiating with the U.S. on trade (NAFTA), as the country fell 0.30% and was down 3.82% YTD. Germany was down 1.98% for the month and down 9.75% YTD, while the UK gained 1.13% but was down 5.68% YTD.

## PERFORMANCE RECAP

Exhibit 2: Monthly Returns							
S&P 500	PRICE	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	FR 12/99 (%)
Energy	560.91	2.43	-0.11	5.16	10.69	24.28	163.68
Materials	363.12	-2.28	-0.15	-4.17	1.96	44.73	127.01
Industrials	659.07	2.07	9.46	3.33	9.05	52.64	141.08
Consumer Discretionary	938.23	0.97	7.81	19.47	30.77	59.19	213.47
Consumer Staples	554.91	0.62	4.88	-5.53	-0.09	14.43	166.72
Health Care	1101.36	2.80	14.04	15.17	16.38	43.77	237.03
Financials	458.18	-2.37	3.86	-1.24	6.78	50.06	42.41
Information Technology	1322.07	-0.39	8.49	19.52	29.85	99.24	63.74
Communication Services	160.55	4.26	8.39	-3.32	-1.12	13.71	-50.26
Utilities	267.28	-0.90	1.51	-0.03	-0.63	21.59	87.65
Real Estate	201.86	-3.17	-0.02	-0.98	1.34	14.19	-
S&P 500	2913.98	0.43	7.20	8.99	15.66	51.77	98.33
DOW JONES INDUSTRIAL AVERAGE	PRICE	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	FR 12/99 (%)
Dow Jones Industrial Average	26458.31	1.90	9.01	7.04	18.09	62.47	130.13
S&P MIDCAP 400	PRICE	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	FR 12/99 (%)
Energy	507.61	3.80	3.52	20.24	31.79	7.77	189.30
Materials	499.93	-1.47	-0.08	-2.34	3.23	64.64	350.51
Industrials	1062.41	0.76	7.77	3.69	12.29	67.42	496.80
Consumer Discretionary	789.36	-1.78	-0.98	-0.79	8.72	18.73	296.83
Consumer Staples	1727.99	-1.78	-0.24	0.06	5.07	13.42	891.86
Health Care	2120.05	0.38	11.97	32.69	35.16	84.20	1098.34
Financials	994.93	-3.99	-0.77	-1.56	4.09	44.81	200.72
Information Technology	2617.57	-1.99	7.66	13.20	20.39	78.38	210.64
Communication Services	164.77	3.38	13.26	11.71	4.70	-27.23	-65.17
Utilities	555.88	0.34	2.62	5.31	7.26	45.08	301.30
Real Estate	231.46	-3.06	-1.22	1.61	2.74	-	-
S&P MidCap 400	2019.55	-1.23	3.48	6.26	12.45	47.53	354.17
S&P SMALLCAP 600	PRICE	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	FR 12/99 (%)
Energy	591.78	-0.75	-4.23	5.34	9.80	2.05	280.81
Materials	554.50	-1.44	3.55	4.94	10.08	74.59	302.22
Industrials	1205.62	-2.54	8.46	13.87	20.52	76.27	502.99
Consumer Discretionary	632.80	-3.47	4.78	13.12	21.99	43.69	366.91
Consumer Staples	1945.63	-2.48	4.08	9.73	14.43	46.96	875.99
Health Care	3364.87	-3.05	9.49	42.74	51.50	116.21	1758.63
Financials	1114.91	-3.70	1.53	7.44	10.73	53.85	280.63
Information Technology	735.82	-6.17	2.62	10.25	6.93	74.18	169.07
Communication Services	3.57	5.93	14.06	25.70	23.10	68.40	-95.14
Utilities	990.70	0.43	2.82	3.25	3.85	51.54	427.81
Real Estate	195.16	-5.25	-2.04	-4.06	-5.39	-	-
S&P SmallCap 600	1061.92	-3.32	4.38	13.42	17.47	63.32	436.89

Source: S&P Dow Jones Indices LLC. Data as of Sept. 28, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

**Exhibit 3: Total Returns**

INDEX	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
S&P 500	0.57	7.71	10.56	17.91	61.43	92.10	209.62
S&P MidCap 400	-1.10	3.86	7.49	14.21	54.78	75.49	224.47
S&P SmallCap 600	-3.17	4.71	14.54	19.08	70.26	86.90	235.35
S&P Composite 1500	0.34	7.35	10.47	17.69	61.22	90.58	211.84
Dow Jones Industrial Average	1.97	9.63	8.83	20.76	74.93	97.42	216.88

Source: S&P Dow Jones Indices LLC. Data as of Sept. 28, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 4: S&P Global BMI, Emerging, Sorted by September Performance**

BMI MEMBER	1-MONTH (%)	3-MONTH	YTD (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Global	0.004	3.32	1.97	7.50	25.29	37.91
Global Ex-U.S.	-0.03	-0.28	-5.24	-0.51	16.06	24.78
Emerging	-1.60	-3.35	-10.32	-4.44	13.89	31.14
Turkey	18.71	-21.28	-45.58	-42.86	-36.58	-33.96
Russia	8.83	2.26	1.83	4.16	23.59	53.62
Brazil	6.17	4.03	-15.84	-18.26	4.62	60.65
Thailand	3.72	13.33	-0.21	7.46	25.31	45.91
Chile	3.35	-1.91	-13.16	-6.69	25.29	41.07
Mexico	2.06	8.26	4.28	-5.15	6.82	2.59
Peru	1.69	-2.42	0.49	7.27	38.61	87.17
Hungary	0.77	5.06	-13.40	-8.12	27.47	71.49
Czech Republic	0.09	3.60	0.12	7.80	34.67	17.29
Colombia	-0.06	-6.38	-0.32	-0.98	7.80	26.08
Qatar	-0.64	9.12	14.33	17.24	-3.65	-10.97
Taiwan	-0.77	0.86	-0.51	4.47	21.97	42.99
U.A.E.	-0.78	4.64	-2.43	-5.70	-3.95	-9.07
China	-1.94	-8.78	-10.77	-4.42	22.09	40.44
Poland	-2.03	7.12	-13.87	-9.75	32.74	18.06
South Africa	-2.26	-7.81	-22.57	-6.75	-3.08	5.72
Indonesia	-2.33	0.09	-15.98	-10.58	-8.54	36.61
Malaysia	-2.40	1.85	-5.10	2.43	7.43	18.94
Pakistan	-3.23	-7.06	-19.34	85.94	120.63	174.22
Greece	-6.08	-11.98	-19.32	-11.76	17.62	-8.48
Egypt	-8.11	-9.57	-1.39	5.18	-7.76	-12.12
Philippines	-8.19	-0.55	-21.09	-16.74	-14.61	-6.47
India	-10.64	-5.81	-14.62	-3.57	13.98	23.95

Source: S&P Dow Jones Indices LLC. Data as of Sept. 28, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

**Exhibit 5: S&P Global BMI, Developed, Sorted by September Performance**

<b>BMI MEMBER</b>	<b>1-MONTH (%)</b>	<b>3-MONTH</b>	<b>YTD (%)</b>	<b>1-YEAR (%)</b>	<b>2-YEAR (%)</b>	<b>3-YEAR (%)</b>
Developed	0.17	4.06	3.44	8.90	26.61	38.71
Developed Ex-U.S.	0.38	0.53	-3.86	0.54	16.66	23.39
Norway	6.11	6.28	12.06	13.14	37.29	49.89
Sweden	2.43	6.82	-1.02	-4.37	14.43	21.00
Luxembourg	2.32	7.35	2.31	8.26	23.44	31.53
Japan	2.17	2.28	-0.57	7.81	21.99	35.87
Italy	1.61	-4.47	-8.51	-10.15	29.80	2.02
Singapore	1.34	-0.39	-7.22	0.69	14.98	23.83
United Kingdom	1.13	-2.77	-5.68	-0.82	10.09	6.19
France	0.96	2.30	0.01	1.09	29.29	31.28
Korea	0.48	0.70	-8.66	2.91	19.32	37.15
United States	0.03	6.64	9.09	15.45	34.37	51.27
Spain	-0.08	-2.63	-9.11	-10.67	11.09	3.60
Switzerland	-0.29	6.52	-2.62	-0.59	13.52	13.21
Canada	-0.30	0.34	-3.82	-0.31	11.46	26.86
Austria	-0.70	1.66	-4.91	1.61	48.91	60.42
Finland	-0.77	1.83	5.39	3.68	20.45	35.37
New Zealand	-0.95	1.16	1.70	5.65	8.66	57.29
Hong Kong	-1.25	-2.53	-6.32	-0.92	9.84	21.91
Israel	-1.57	7.38	9.62	14.58	10.33	6.23
Australia	-1.58	-1.89	-4.89	1.50	9.14	29.79
Germany	-1.98	-0.76	-9.75	-7.02	16.63	24.97
Portugal	-2.41	-2.67	-1.34	-1.44	19.00	16.14
Belgium	-2.90	-5.19	-11.68	-13.56	-7.70	6.00
Ireland	-3.12	-5.48	-6.32	-3.68	14.98	16.80
Netherlands	-3.44	-2.38	-4.44	-2.83	23.24	34.20
Denmark	-4.11	1.20	-4.86	-3.41	16.54	16.11

Source: S&P Dow Jones Indices LLC. Data as of Sept. 28, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

<b>Exhibit 6: Price-to-Earnings Ratios</b>				
<b>INDEX</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>ESTIMATED 2018</b>
S&P 500	14.73	22.69	23.40	18.52
S&P 500 Consumer Discretionary	16.89	22.17	26.62	23.66
S&P 500 Consumer Staples	15.96	22.18	20.29	18.70
S&P 500 Energy	12.03	-38.97	42.21	19.53
S&P 500 Financials	13.46	16.83	17.23	13.25
S&P 500 Health Care	14.68	21.02	24.43	19.88
S&P 500 Industrials	14.76	19.49	21.76	17.51
S&P 500 Information Technology	14.19	22.20	26.13	19.96
S&P 500 Materials	16.20	38.50	21.14	15.62
S&P 500 Communication Services	43.21	14.02	15.77	13.65
S&P 500 Utilities	14.84	22.21	18.40	16.84
S&P 500 Real Estate	-	-	-	36.37
<b>INDEX</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>ESTIMATED 2018</b>
S&P MidCap 400	18.71	30.41	25.86	19.47
S&P 400 Consumer Discretionary	18.19	20.80	18.61	15.74
S&P 400 Consumer Staples	16.80	23.84	23.49	20.01
S&P 400 Energy	22.82	-4.95	-317.26	171.49
S&P 400 Financials	18.61	25.05	19.21	13.87
S&P 400 Health Care	21.24	27.39	41.07	26.14
S&P 400 Industrials	15.55	21.56	23.26	19.15
S&P 400 Information Technology	23.60	40.03	35.07	24.00
S&P 400 Materials	17.93	28.08	18.20	12.61
S&P 400 Communication Services	34.07	13.29	-14.48	22.95
S&P 400 Utilities	15.52	23.42	21.24	21.36
S&P 400 Real Estate	-	-	-	25.78
<b>INDEX</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>ESTIMATED 2018</b>
S&P SmallCap 600	22.04	42.43	34.05	22.95
S&P 600 Consumer Discretionary	21.45	23.16	26.33	17.48
S&P 600 Consumer Staples	18.26	20.41	30.49	22.88
S&P 600 Energy	77.57	-2.48	-28.87	123.54
S&P 600 Financials	20.10	26.37	20.73	15.36
S&P 600 Health Care	21.59	43.30	-734.69	54.16
S&P 600 Industrials	17.85	24.72	27.24	21.95
S&P 600 Information Technology	31.37	41.01	31.85	24.70
S&P 600 Materials	22.56	46.69	23.86	17.65
S&P 600 Communication Services	24.20	36.50	-	N.M.
S&P 600 Utilities	16.69	23.40	27.36	23.76
S&P 600 Real Estate	-	-	-	88.31

Source: S&P Dow Jones Indices LLC. Data as of Sept. 28, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 7: Operating EPS Changes**

<b>INDEX</b>	<b>Q4 2017 OVER Q4 2016 (%)</b>	<b>Q1 2018 OVER Q1 2017 (%)</b>	<b>Q2 2018E OVER Q2 2017 (%)</b>	<b>Q3 2018E OVER Q3 2017 (%)</b>	<b>Q4 2018E OVER Q4 2017 (%)</b>	<b>2017 OVER 2016 (%)</b>	<b>2018E OVER 2017 (%)</b>
S&P 500	21.36	26.79	26.68	27.83	24.45	17.18	26.39
S&P 500 Consumer Discretionary	13.18	14.41	20.21	9.26	7.07	5.83	12.54
S&P 500 Consumer Staples	14.40	13.02	13.54	5.30	3.35	7.97	8.48
S&P 500 Energy	614.63	62.37	142.18	109.65	170.99	480.80	116.10
S&P 500 Financials	13.31	15.37	30.52	40.72	34.79	11.77	30.05
S&P 500 Health Care	10.66	15.49	6.03	35.44	34.59	6.24	22.89
S&P 500 Industrials	19.85	40.19	20.95	16.89	22.29	11.90	24.27
S&P 500 Information Technology	38.80	48.54	34.97	35.41	14.70	33.20	30.92
S&P 500 Materials	31.73	18.83	35.58	36.10	55.18	31.95	35.27
S&P 500 Communication Services	-23.62	32.96	39.29	-26.64	16.49	3.25	15.52
S&P 500 Utilities	27.50	18.67	14.05	4.29	0.33	6.29	9.22
S&P 500 Real Estate	-	-	-	-20.51	-0.72	-	-0.89
<b>INDEX</b>	<b>Q4 2017 OVER Q4 2016 (%)</b>	<b>Q1 2018 OVER Q1 2017 (%)</b>	<b>Q2 2018E OVER Q2 2017 (%)</b>	<b>Q3 2018E OVER Q3 2017 (%)</b>	<b>Q4 2018E OVER Q4 2017 (%)</b>	<b>2017 OVER 2016 (%)</b>	<b>2018E OVER 2017 (%)</b>
S&P MidCap 400	37.11	25.21	26.63	50.03	30.16	21.03	32.77
S&P 400 Consumer Discretionary	6.63	26.41	15.93	7.77	24.14	11.72	18.20
S&P 400 Consumer Staples	-0.66	40.17	14.83	3.54	14.84	4.50	17.40
S&P 400 Energy	115.35	900.00	-376.50	132.82	-19.48	96.99	285.00
S&P 400 Financials	7.13	9.69	36.41	92.47	32.98	15.57	38.44
S&P 400 Health Care	16.00	15.97	142.24	30.53	69.28	3.43	57.11
S&P 400 Industrials	28.62	29.63	17.77	18.54	22.68	13.69	21.48
S&P 400 Information Technology	7.56	22.10	16.56	59.88	78.32	25.05	46.15
S&P 400 Materials	60.41	32.01	51.35	47.11	43.44	53.64	44.27
S&P 400 Communication Services	-324.44	183.04	141.84	156.27	194.24	-456.74	163.09
S&P 400 Utilities	10.38	10.62	14.54	-18.51	-3.99	7.47	-0.57
S&P 400 Real Estate	-	-	-	38.03	-14.17	-	23.35
<b>INDEX</b>	<b>Q4 2017 OVER Q4 2016 (%)</b>	<b>Q1 2018 OVER Q1 2017 (%)</b>	<b>Q2 2018E OVER Q2 2017 (%)</b>	<b>Q3 2018E OVER Q3 2017 (%)</b>	<b>Q4 2018E OVER Q4 2017 (%)</b>	<b>2017 OVER 2016 (%)</b>	<b>2018E OVER 2017 (%)</b>
S&P SmallCap 600	30.60	27.12	31.43	56.82	73.96	21.79	48.35
S&P 600 Consumer Discretionary	28.81	40.37	58.92	63.76	43.20	0.67	50.65
S&P 600 Consumer Staples	11.99	111.37	-21.97	32.92	39.01	-16.14	33.25
S&P 600 Energy	73.61	101.76	-508.75	189.32	249.52	82.77	123.37
S&P 600 Financials	21.07	25.29	44.20	48.61	25.78	16.81	34.99
S&P 600 Health Care	-576.47	677.54	9276.92	89.46	290.36	-133.02	1456.55
S&P 600 Industrials	68.94	8.91	35.49	23.68	26.89	19.27	24.11
S&P 600 Information Technology	24.59	6.00	-0.92	49.58	50.88	36.28	28.96
S&P 600 Materials	47.40	11.17	32.68	43.34	55.39	21.74	35.15
S&P 600 Communication Services	-200.00	0.00	-300.00	-200.00	300.00	-	-
S&P 600 Utilities	4.38	27.61	22.27	-15.74	9.14	1.51	15.16
S&P 600 Real Estate	-	-	-	-100.00	-100.00	-	-63.89

Source: S&P Dow Jones Indices LLC. Data as of Sept. 28, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

**Exhibit 8: Breadth of Change (Issues With Monthly Price Changes as Described by Type)**

<b>S&amp;P 500</b>						
<b>TYPE</b>	<b>SEPTEMBER 2018</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	253	4.04	348	10.59	297	20.19
Down	251	-4.12	157	-7.25	208	-11.90
Up >= 10%	13	14.47	160	17.33	183	29.70
Down <= -10%	16	-12.78	44	-15.65	97	-20.23
Up >= 25%	0	0.00	14	35.24	98	41.11
Down <= -25%	0	0.00	2	-32.05	25	-31.15
Up >= 50%	0	0.00	1	106.07	20	72.01
Down <= -50%	0	0.00	0	0.00	0	0.00
<b>S&amp;P MIDCAP 400</b>						
<b>TYPE</b>	<b>SEPTEMBER 2018</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	153	4.59	215	12.24	218	22.73
Down	243	-5.33	182	-7.91	175	-14.83
Up >= 10%	18	14.21	105	20.53	141	32.56
Down <= -10%	31	-14.00	53	-16.52	94	-23.41
Up >= 25%	1	34.12	25	35.06	67	49.62
Down <= -25%	0	0.00	5	-33.21	38	-33.86
Up >= 50%	0	0.00	3	57.96	21	80.25
Down <= -50%	0	0.00	0	0.00	3	-57.60
<b>S&amp;P SMALLCAP 600</b>						
<b>TYPE</b>	<b>SEPTEMBER 2018</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	178	5.55	334	15.01	360	33.24
Down	423	-7.09	268	-11.91	241	-17.32
Up >= 10%	32	15.09	177	24.56	261	43.87
Down <= -10%	92	-15.85	121	-20.63	144	-25.57
Up >= 25%	3	27.11	69	37.22	167	59.45
Down <= -25%	9	-31.60	28	-35.26	59	-38.82
Up >= 50%	0	0.00	9	62.50	73	90.04
Down <= -50%	0	0.00	4	-60.38	8	-61.86
<b>DOW JONES INDUSTRIAL AVERAGE</b>						
<b>TYPE</b>	<b>SEPTEMBER 2018</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	20	3.98	27	10.47	19	15.90
Down	10	-2.50	3	-3.53	11	-5.61
Up >= 10%	0	0.00	12	15.39	9	28.41
Down <= -10%	0	0.00	0	0.00	2	-11.23
Up >= 25%	0	0.00	0	0.00	7	30.48
Down <= -25%	0	0.00	0	0.00	0	0.00
Up >= 50%	0	0.00	0	0.00	0	0.00
Down <= -50%	0	0.00	0	0.00	0	0.00

Source: S&P Dow Jones Indices LLC. Data as of Sept. 28, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.



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