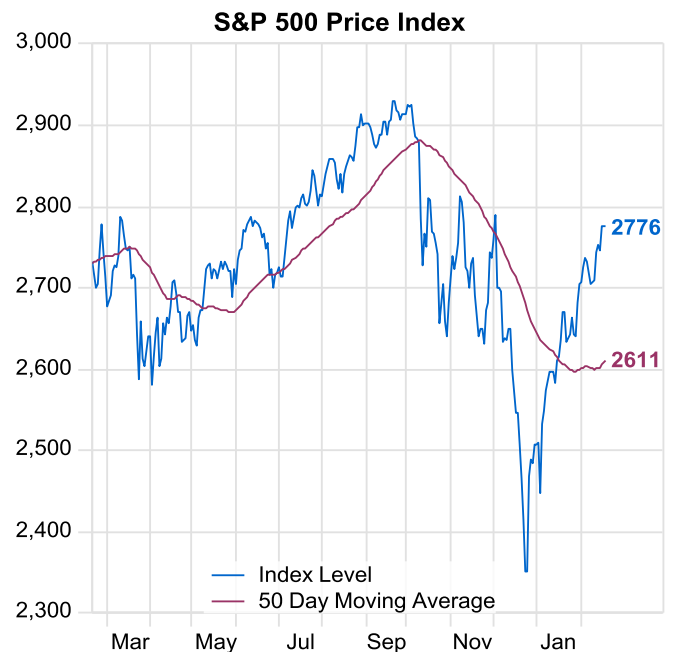


# WEEKLY MARKET RECAP

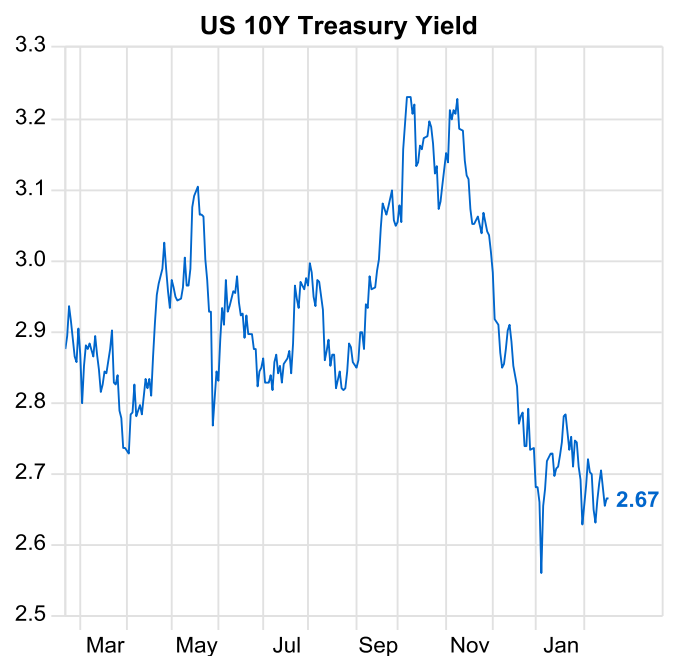
February 15, 2019

## Equity markets posted solid gains on US/China trade optimism

Equity Sectors	Week	MTD	QTD	YTD	1 Year
S&P 500	2.6	2.8	11.0	11.0	3.7
Communication Services	1.0	0.4	10.8	10.8	0.5
Consumer Discretionary	2.6	0.5	10.8	10.8	4.6
Consumer Staples	1.1	2.0	7.3	7.3	1.2
Energy	5.1	3.9	15.4	15.4	-0.1
Financials	2.9	2.0	11.0	11.0	-7.2
Health Care	3.2	2.5	7.5	7.5	11.4
Industrials	3.6	5.5	17.5	17.5	-0.1
Technology	2.4	5.0	12.3	12.3	5.7
Materials	3.4	2.3	7.9	7.9	-8.3
Real Estate	1.2	1.9	12.9	12.9	19.3
Utilities	0.0	1.8	5.3	5.3	16.1
Equity Styles	Week	MTD	QTD	YTD	1 Year
Russell Top 200	2.5	2.6	10.3	10.3	3.9
Russell 1000	2.6	2.9	11.6	11.6	3.9
Russell 1000 Growth	2.4	3.0	12.3	12.3	6.0
Russell 1000 Value	2.8	2.8	10.8	10.8	1.5
Russell 2000	4.2	4.7	16.5	16.5	3.5
Russell 2000 Growth	4.9	5.5	17.7	17.7	4.8
Russell 2000 Value	3.5	3.9	15.3	15.3	2.0
Equity Regions	Week	MTD	QTD	YTD	1 Year
MSCI All Country World	2.0	1.5	9.5	9.5	-2.5
MSCI EAFE	2.0	0.6	7.2	7.2	-8.1
MSCI EAFE Growth	2.4	1.4	8.0	8.0	-6.2
MSCI EAFE Value	1.7	-0.3	6.4	6.4	-9.9
MSCI EAFE Small Cap	2.0	-0.1	7.9	7.9	-11.9
MSCI Europe	2.5	1.1	7.8	7.8	-8.7
MSCI Japan	1.7	-1.2	4.9	4.9	-9.6
MSCI Emerging Markets	-0.5	-1.8	6.8	6.8	-12.2
Fixed Income	Week	MTD	QTD	YTD	1 Year
US Aggregate Bond	-0.1	0.0	1.1	1.1	3.4
Government	-0.2	-0.0	0.4	0.4	3.6
Government - Long	-0.3	0.3	0.9	0.9	5.9
Credit	-0.0	0.3	2.4	2.4	2.8
High Yield	0.6	0.9	5.4	5.4	4.0
JP Morgan EMBI+	-0.3	-0.6	4.5	4.5	1.9
FTSE WGBI Non-USD Hedged	0.1	0.1	1.3	1.3	5.4
FTSE WGBI Non-USD	-0.6	-1.8	0.1	0.1	-5.2
Real Assets	Week	MTD	QTD	YTD	1 Year
Bloomberg Commodity	1.2	0.4	5.9	5.9	-6.3
Bloomberg Gold	0.3	-0.1	3.0	3.0	-3.1
Bloomberg Brent Crude	6.8	8.8	22.7	22.7	7.5
S&P Global Infrastructure	1.1	0.5	9.3	9.3	2.2
Alerian MLP	5.0	2.4	15.3	15.3	-0.4
US TIPS	0.1	-0.1	1.2	1.2	2.0



Source (as of 2/15/19): FactSet Research Systems, Inc.

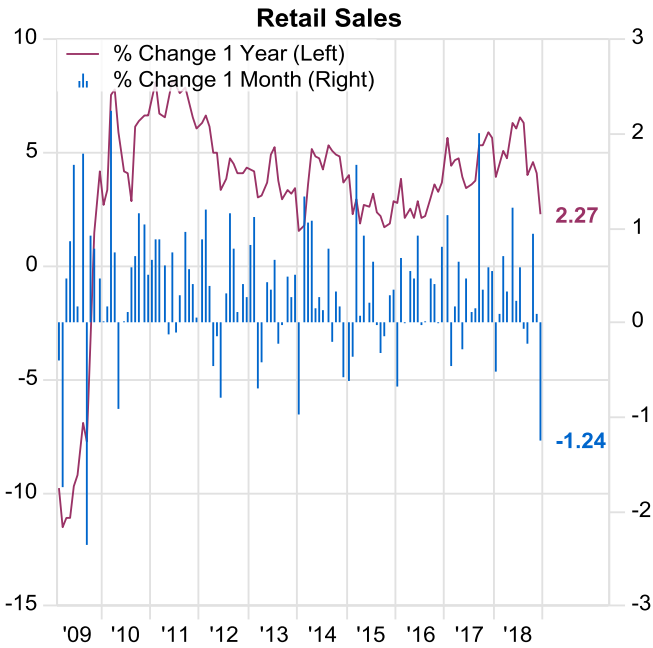


Source (as of 2/15/19): FactSet Research Systems, Inc.

Index performance through 2/15/19, Source: Morningstar Direct

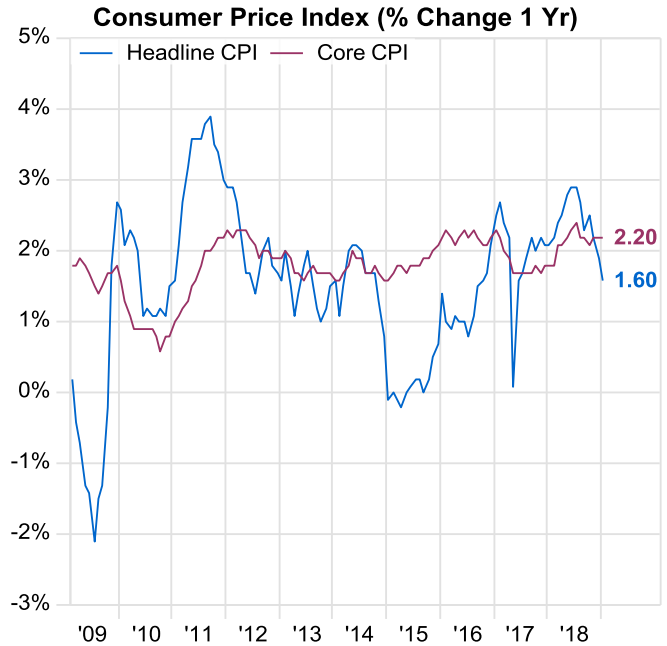
# WEEKLY MARKET RECAP

## December retail sales dropped the most in 9 years, puzzling economists given labor market strength



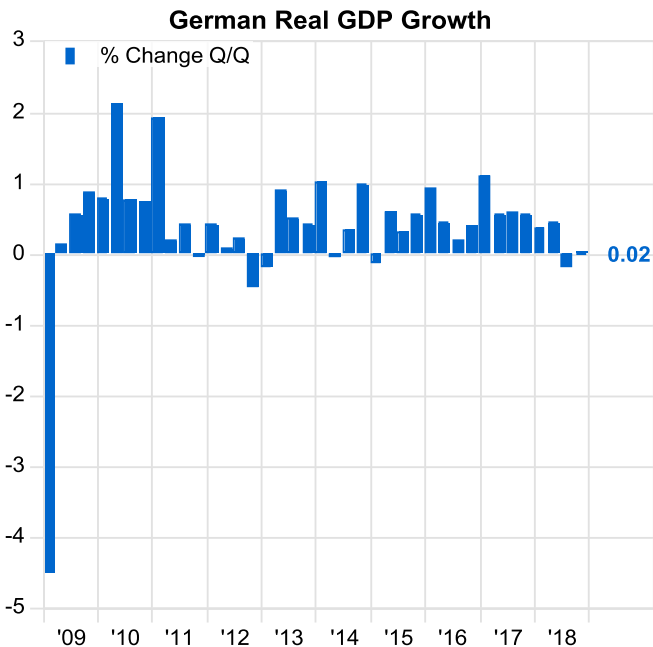
Source (as of 2/15/19): FactSet Research Systems, Inc.

## US headline consumer prices fell in January on cheaper gasoline; core inflation held steady



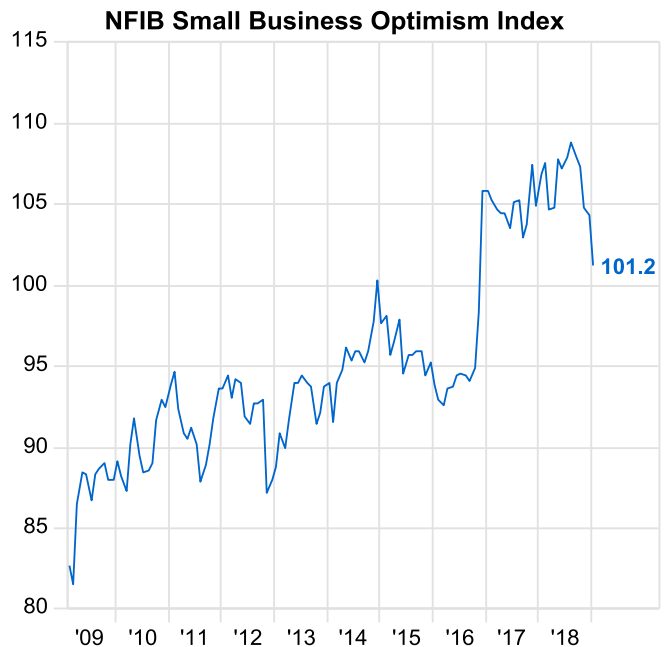
Source (as of 2/15/19): FactSet Research Systems, Inc.

## Germany narrowly avoided a recession in Q4, underscoring the Eurozone's economic challenges



Source (as of 2/15/19): FactSet Research Systems, Inc.

## US small business optimism fell to a two-year low in January



Source (as of 2/15/19): FactSet Research Systems, Inc.

# WEEKLY MARKET RECAP

## IMPORTANT INFORMATION

The **S&P 500 Index** consists of 500 stocks chosen for market size, liquidity, and industry group representation. It is a market-value weighted index (stock price times number of shares outstanding), with each stock's weight in the Index proportionate to its market value.

The **S&P Global Infrastructure Index** provides liquid and tradable exposure to 75 companies from around the world that represent the listed infrastructure universe. To create diversified exposure, the index includes three distinct infrastructure clusters: utilities, transportation, and energy.

The **Russell Top 200 Index** is composed of the 200 largest U.S. securities, as determined by total market capitalization.

The **Russell 1000 Index** consists of the 1,000 largest securities in the Russell 3000 Index, which is composed of the 3,000 largest U.S. securities, as determined by total market capitalization. The **Russell 1000 Value Index** measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The **Russell 1000 Growth Index** measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 2000 Index** measures the performance of the 2,000 smallest companies in the Russell 3000 Index. The **Russell 2000 Value Index** measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The **Russell 2000 Growth Index** measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The **MSCI All Country World Index** is a market capitalization weighted index composed of companies representative of the market structure of developed and emerging market countries in the Americas, Europe/Middle East, and Asia/Pacific regions. The index is calculated without dividends or with gross or net dividends reinvested, in both U.S. Dollars and local currencies.

The **MSCI EAFE Index** is a market capitalization weighted index composed of companies representative of the market structure of 21 Developed Market countries in Europe, Australasia and the Far East. The **MSCI EAFE Growth Index** consists of the securities within the MSCI EAFE Index that have the highest P/BV ratios (up to 50% of the market capitalization). The **MSCI EAFE Value Index** consists of the securities within the MSCI EAFE Index that have the lowest P/BV ratios (up to 50% of the market capitalization).

**MSCI Emerging Markets Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

**MSCI EAFE Small Cap Index** is a market capitalization index that captures small cap representation across Developed Markets countries around the world, excluding the US and Canada.

**MSCI Europe Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. **MSCI Japan Index** is a free-float adjusted market capitalization weighted index that is designed to track the equity market performance of Japanese securities listed on Tokyo Stock Exchange, Osaka Stock Exchange, JASDAQ and Nagoya Stock Exchange.

**Bloomberg Barclays Aggregate Bond Index** represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

**Bloomberg Barclays US Credit Index:** This index is the U.S. Credit component of the U.S. Government/Credit index. The index includes both corporate and non-corporate sectors. The corporate sectors are Industrial, Utility, and Finance, which include both U.S. and non-U.S. corporations. The non-corporate sectors are Sovereign, Supranational, Foreign Agency, and Foreign Local Government.

The **Bloomberg Barclays Government Bond Index** is composed of all publicly issued, nonconvertible, domestic debt of the US government or any agency thereof, quasi-federal corporations, or corporate debt guaranteed by the US government. Flower bonds and pass-through issues are excluded. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. The **Bloomberg Barclays Government Bond Index – Long**, consists of securities with maturities of 10 years or greater.

**Bloomberg Barclays US High Yield Index** covers the USD-denominated, non-investment grade, fixed-rate, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. A small number of unrated bonds are included in the index. The index excludes emerging markets debt.

The **Bloomberg Barclays U.S. TIPS Index** is an unmanaged market index made up of U.S. Treasury Inflation Linked Indexed securities.

# WEEKLY MARKET RECAP

## IMPORTANT INFORMATION

The **J.P. Morgan Emerging Markets Bond Index** is an unmanaged market index made up of U.S. Dollar denominated debt issued by emerging market sovereign borrowers.

The **FTSE Non-US World Government Bond Index** is a market capitalization weighted bond index consisting of the government bond markets of the multiple countries less the US. Country eligibility is determined based upon market capitalization and investability criteria. The index includes all fixed-rate bonds with a remaining maturity of one year or longer and with amounts outstanding of at least the equivalent of US\$25 million. Government securities typically exclude floating or variable rate bonds, US/Canadian savings bonds and private placements. The **FTSE Non-US World Government Bond Index (Hedged)** represents the return of the FTSE Non-US World Government Bond index hedged back to the US dollar using rolling one-month forward exchange contracts as the hedging instrument.

**Bloomberg Commodity Index** is comprised of futures contracts and is designed to be a highly liquid and diversified benchmark for commodity as an asset class.

**Bloomberg Gold Index** is an unmanaged index comprised of gold futures contracts.

**Bloomberg Crude Oil Index** is an unmanaged index comprised of oil futures contracts.

The **Dow Jones U.S. Select REIT** index is comprised of companies whose charters are the equity ownership and operation of commercial real estate and which operate under the REIT Act of 1960.

**Alerian MLP Index** is a composite of energy infrastructure Master Limited Partnerships (MLPs). The index is float-adjusted and capitalization-weighted. Constituents earn the majority of their cash flow from midstream activities involving energy commodities.

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Retail Sales - retail and food service sales data are included in the Advance Monthly Sales for Retail and Food Service report, which provides an early indication of sales of retail and food service companies. Data are classified according to the North American Industry Classification System (NAICS).

Consumer Price Index (Headline CPI) - Compiled to measure the movement of prices of goods and services purchased by consumers in the whole country.

Consumer Price Index (Core CPI) ex-Food & Energy - measures the movement of prices for all items less food and energy, often referred to as Core CPI, excludes the two most volatile components of the overall CPI.

GDP - The monetary value of all the finished goods and services produced within a country's borders in a specific time period. Though GDP is usually calculated on an annual basis, it can be calculated on a quarterly basis as well. GDP includes all of private and public consumption, government outlays, investments and exports minus imports that occur within a defined territory.

The NFIB Small Business Optimism Index - the National Federation of Independent Business (NFIB) collects small business economic trends data with quarterly surveys since the 4th quarter of 1973 and monthly surveys since 1986. The survey measures respondents sentiment on employment and capital outlay plans, earnings and business trends, and economic outlook. Survey respondents are drawn from NFIB’s membership.

# WEEKLY MARKET RECAP

## IMPORTANT INFORMATION

This report is produced by the Strategic Investment Research Group (SIRG), a unit of PGIM Investments LLC, and a research unit of Prudential Financial. SIRG provides research, analysis and due diligence on investment management firms and the vehicles and strategies they offer.

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Indices are unmanaged and an investment cannot be made directly into an index.