

Third quarter for S&P500 was worst in four years: fi360

By Editorial Staff Wed, Nov 4, 2015

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Global equity markets were down and volatility was up during the third quarter, and the large-cap S&P 500 Index suffered its largest quarterly decline in four years, and the MSCI Emerging Index ending at its lowest closing level since 2009, according to fi360.

Primary factors were interest rate uncertainty with the U.S. Federal Reserve Bank maintaining their policy, the economic slowdown in China, and commodity prices substantial drop.

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Emerging market equities performance was worse, as the MSCI Emerging Markets Index was down 17.78% for the quarter and is off 15.22% YTD. The bond market as measured by the Barclays US Aggregate Bond Index was up 1.23% in the quarter and 1.13% YTD; while the broad international market via the Barclays Global Aggregate Ex USD Government Bond Index was up .64% in the quarter but is minus 4.82% YTD.

For volatility, the CBOE Volatility Index increased in the quarter from 18.23 to 24.50, and the Bloomberg Commodity Index was minus 14.47% in the quarter and is down 15.8% YTD.

Every sector in the EAFE index declined during the quarter, while small-cap stocks outperformed large-caps, and growth stocks outperformed value stocks. In the US market, energy (-18.71% in the quarter, -21.89% YTD) and basic materials (-16.93% quarter, -17.03 YTD) were the worst-performing Morningstar stock sectors while utilities (+4.75% for the quarter, -6.38% YTD) and Real Estate (+0.3% for the third quarter; -4.96 YTD) were the only positive returns.

Small-cap underperformed mid and large, large growth outperformed large value. But mid and small value outperformed mid and small growth (although all were negative performers for the quarter).