



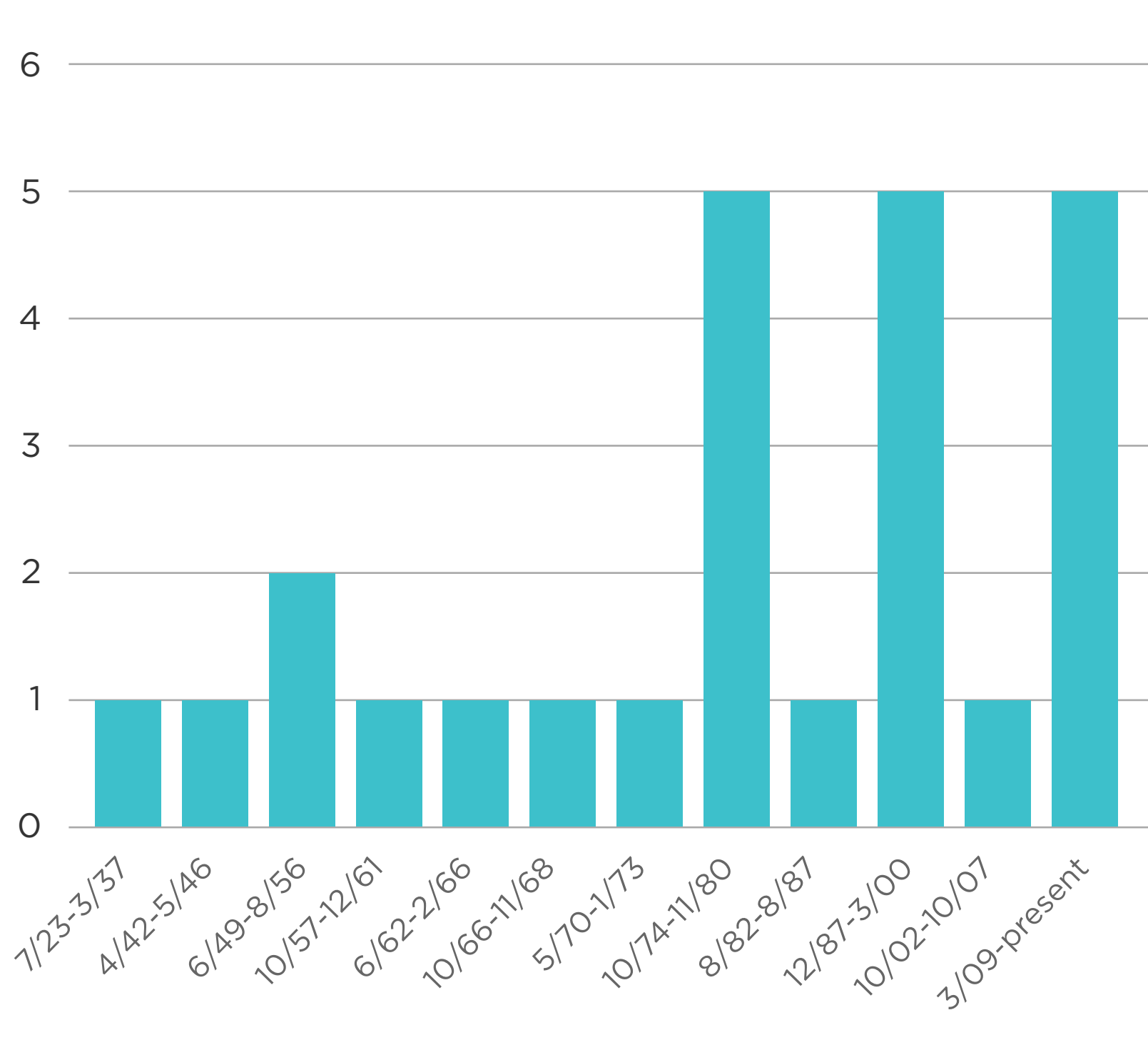
Slowing, yet stable: Despite a choppy end to 2018, the expansion is on an even keel.

Fourth-quarter fluctuations had investors and experts concerned on a day-to-day basis, but a longer view of the data shows that economic indicators are still strong.

Corrections are not unusual in a longer expansion cycle.

The correction that began in late September was the second of 2018 and the fifth since this bull market began in 2009. When an expansion cycle is longer, it can correlate to a higher number of short-term upsets.

CORRECTIONS BY BULL MARKET

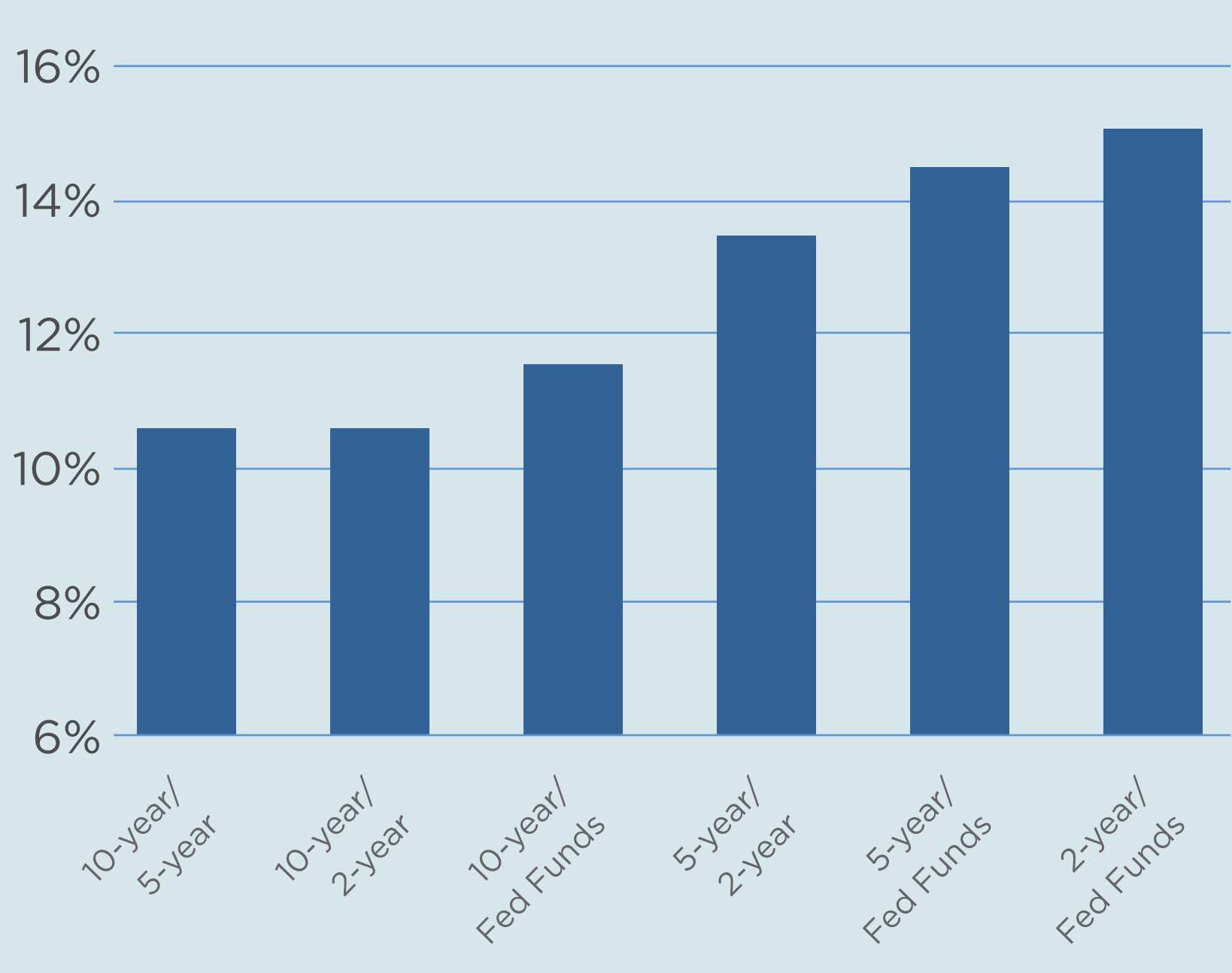


Source: Bloomberg

Stocks continue to rise even after yield curve inversions.

Though the 5-year/2-year U.S. Treasury yield curve did invert in Q4, it does not mean that a recession is imminent. Should the 10-year/Fed Funds yield curve invert, that would be a stronger warning. Even so, stocks have historically risen after such an inversion — giving investors time to plan for a dip.

MEDIAN CHANGES IN THE S&P 500 BETWEEN YIELD CURVE INVERSIONS AND THE END OF EXPANSIONS



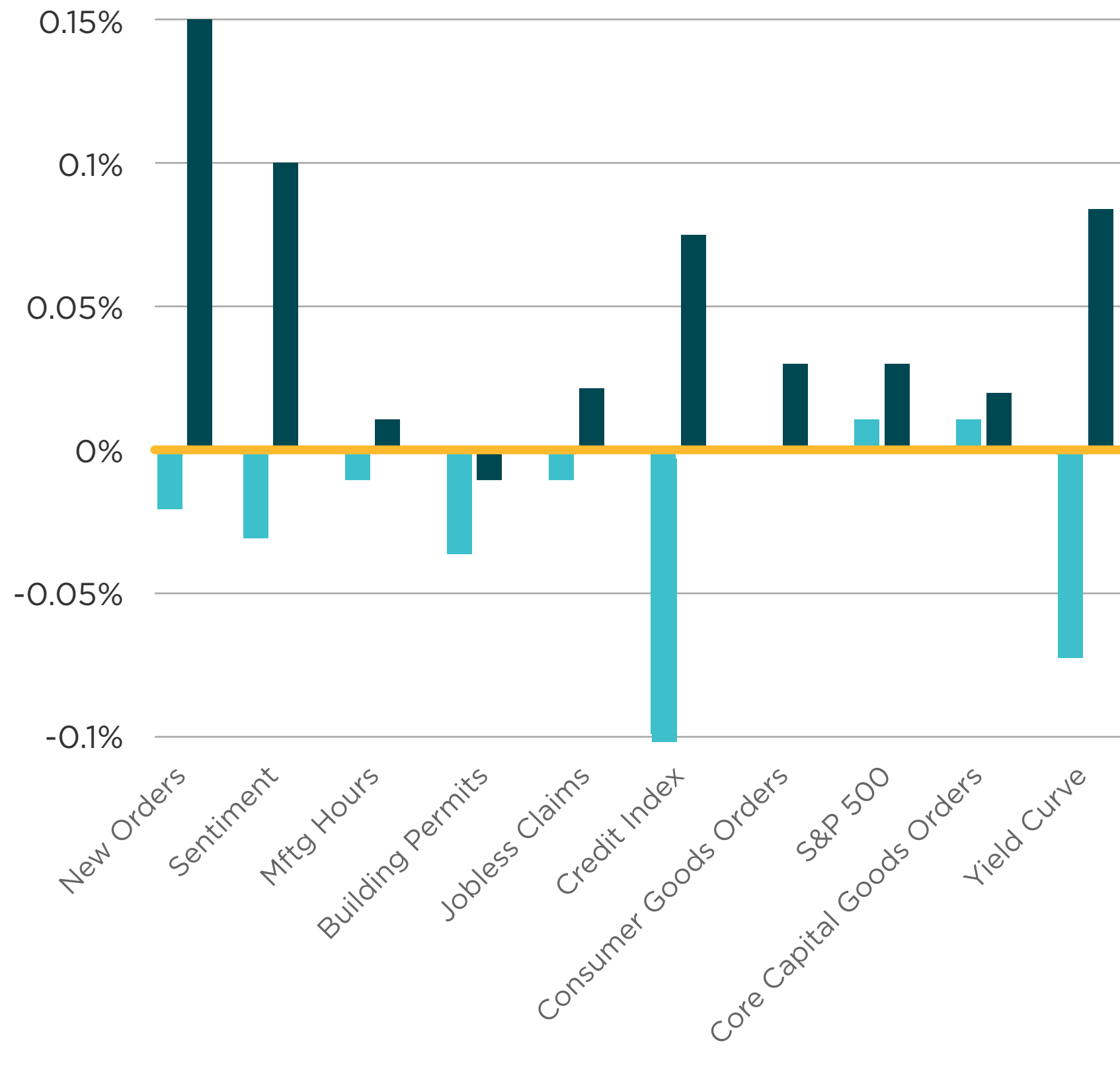
Source: Bloomberg

Leading indicators point up.

The index of leading economic indicators is not only suggesting continued expansion, it is pointing toward solid growth in 2019.

AVERAGE MONTHLY CONTRIBUTIONS BY COMPONENT OF THE INDEX OF LEADING INDICATORS

- Average prior to recessions
- Average over the past year



Source: The Conference Board



For more help understanding market forces and how they may affect your investments, talk to your financial advisor.

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