

Our Fundamental View:

The steady diet of negative political and economic headlines turned a little more 'mixed' in Oct, with progress apparently being made on the US / China trade war. A full cessation would be welcomed news indeed for both investors, and markets in general.

By most measures economic indicators remain a concern, with ISM & PMI readings weak across the globe. The silver lining being, that testing has shown that markets typically perform surprisingly well during such dark days. Hence, why markets have been classified as leading economic indicators, and not vice versa.

Finally, it is also good news that yield curves around the globe are starting to normalize. Here in the US, yields on the 10-yr US T-Note are back above those of 3-mo T-Bills; a very welcomed development. We're optimistic this trend will continue, given a friendly FOMC and a potential bottom in global growth.

Our Technical View:

Technically speaking, stocks remain healthy and appear to be enjoying a typical 'bull market'. Market internals such as breath & leadership remain firm, and are confirming the new all-time highs in the S&P. A great example of the improving market breadth can be seen with the 'breakout' in the Russell 2000, which is good news indeed for the bulls.

Finally, despite the weak economic data noted above, markets really around the globe have been firming. This can clearly be seen in the ACWI, or All Country World Index, ETF, which is within whiskers of new highs of its own.

Consensus Call of the Month:

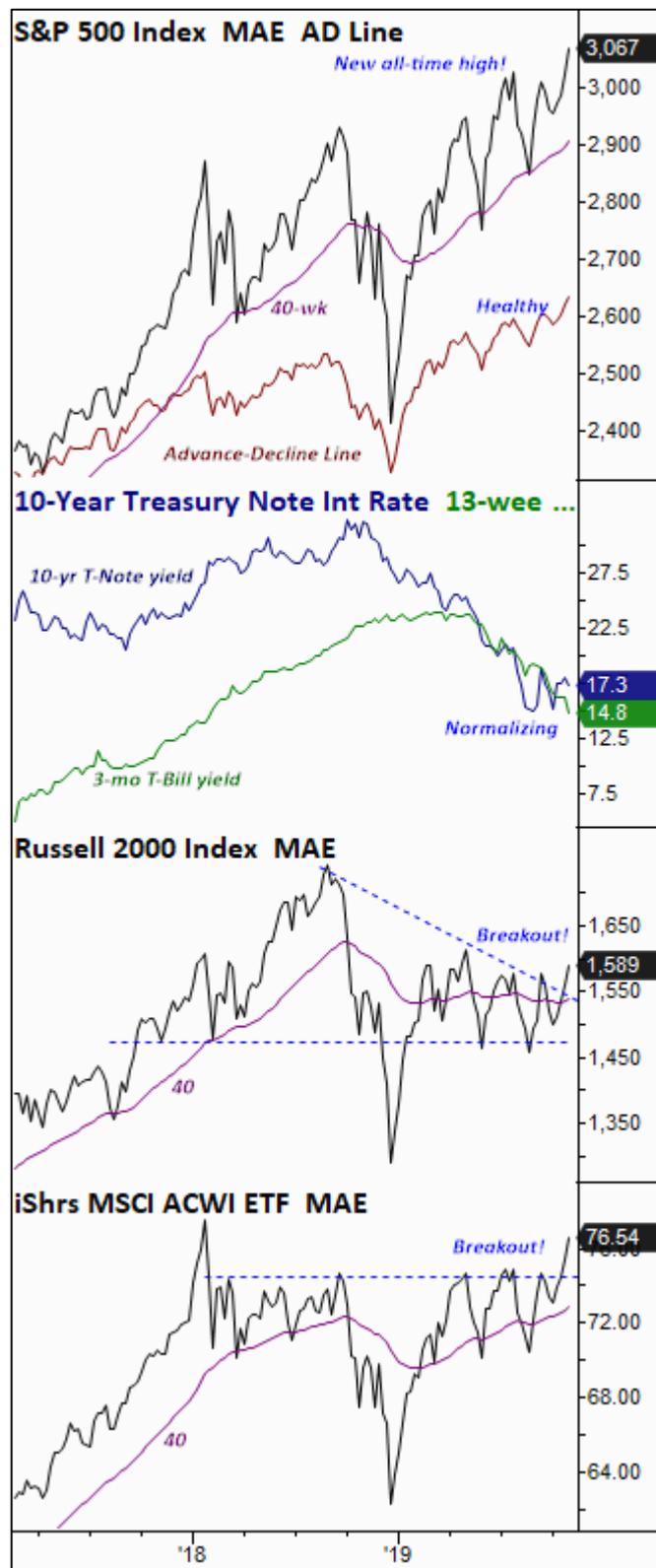
As we have noted for several months, we continue to believe gold is also in a bull market. Now digesting its gains in an orderly manner, we believe it's only a matter of time before gold sees 'higher highs'.

Contrarian Call of the Month:

Finally, while a far less popular view, we also continue to believe yields have likely seen their low for the year. The 10-yr US Note has strong support in the 1.50% area, and we don't believe Jamie Dimon and JPMorgan's recent call for 0% on the 10-yr US Treasury will ultimately come to pass.

James Dondero, CFA
Portfolio Manager

Mike Hurley, CMT
Portfolio Manager



Charts courtesy of TradeStation, as of November 1, 2019

About NexBank Wealth Management

NexBank Wealth Management is a privately owned, independent wealth manager located in Dallas, Texas. The team is led by award-winning investment professionals, with an average of 25 years of experience working with some of the world's most distinguished institutional clients and financial institutions. NexBank Wealth's actively-managed approach guides clients through complex and evolving markets. Contact our Client Services Team for more information.

Contact Information

NexBank Wealth Management
300 Crescent Court
Suite 700
Dallas, Texas 75201
www.nexbankwealth.com
info@nexbankwealth.com
972-419-2500



Statements in this communication may include forward-looking information and/or may be based on various assumptions. The forward-looking statements and other views or opinions expressed herein are made as of the date of this publication. Actual future results or occurrences may differ significantly from those anticipated and there is no guarantee that any particular outcome will come to pass. The statements made herein are subject to change at any time. Highland disclaims any obligation to update or revise any statements or views expressed herein.

No representation or warranty is made concerning the completeness or accuracy of the information contained herein. Some or all of the information provided herein may be or be based on statements of opinion. In addition, certain information provided herein may be based on third-party sources, which information, although believed to be accurate, has not been independently verified.

The information provided herein is not intended to be, nor should it be construed as an offer to sell or a solicitation of any offer to buy any securities. This commentary has not been reviewed or approved by any regulatory authority and has been prepared without regard to the individual financial circumstances or objectives of persons who may receive it. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Highland encourages any person considering any action relating to the securities discussed herein to seek the advice of a financial advisor.

Advisory services offered through NexBank Securities, Inc, a registered investment advisor.
NOT FDIC INSURED. MAY LOSE VALUE. NO BANK GUARANTEE.