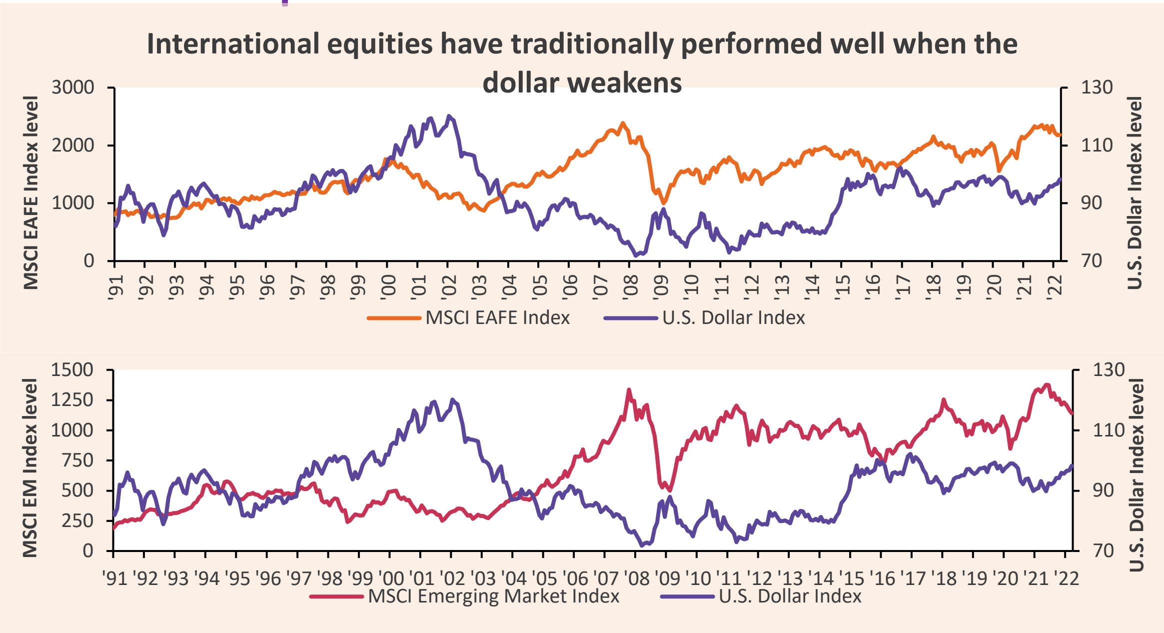
# International equities versus the U.S. dollar




Sources: Bloomberg and Wells Fargo Investment Institute. Monthly data from January 1, 1991 to March 31, 2022. The **MSCI EAFE Index** and the **MSCI Emerging Markets Index** are equity indexes that capture large- and mid-cap representation across 21 developed market countries (excluding the U.S. and Canada), and 24 emerging market countries, respectively, around the world. Index returns do not represent investment performance or the results of actual trading. Index returns represent general market results, assume the reinvestment of dividends and other distributions, and do not reflect deduction for fees, expenses or taxes applicable to an actual investment. An index is unmanaged and not available for direct investment. **Past performance is no guarantee of future results.** Equity securities are subject to market risk which means their value may fluctuate in response to general economic and market conditions and the perception of individual issuers. Investments in equity securities are generally more volatile than other types of securities. Investing in foreign securities presents certain risks not associated with domestic investments, such as currency fluctuation, political and economic instability, and different accounting standards. This may result in greater share price volatility. These risks are heightened in emerging markets.

Key takeaways

- In the past quarter, a moderately stronger U.S. dollar has been a headwind for international equity prices.
- Developed markets outside of the U.S. continue to struggle with structural issues, including populist politics, aging demographics, and a lack of fiscal unity among European Union members.