

April 2020 Market Watch

U.S. domestic markets finished sharply higher in April, largely erasing March declines. The S&P 500 was up +12.82% on a total return basis in the month, its best month since 1987. The market re-entered bull market territory, as stocks climbed +26.6% from their March 23rd low. The market rally in April did not appear to be fundamentally driven, but rather driven by investor optimism around a slowdown in new coronavirus cases, global stimulus efforts, and plans to gradually reopen certain economies across the globe.

The \$349 billion SBA Payroll Protection Program (PPP) signed into law at the end of March opened for applications in April, only to be exhausted in the matter of days. Towards the end of the month, President Trump signed into law an additional \$484 billion, which included additional financing for small businesses, as well as aid for hospitals and further COVID-19 testing.

55% of the companies in the S&P 500 have reported earnings results. According to Factset, of those companies that have reported Q1 2020 results, 65% have reported a positive earnings per share surprise and 63% have reported a positive revenue surprise relative to forecasts. The blended earnings decline for the S&P 500 is -13.7%, which would mark the largest year-over-year decline in earnings

	Date	1 Week Ago		1 Month Ago		1 Year Ago		YTD
	4/30/20	4/23/20	% chg*	3/31/20	% chg*	4/30/19	% chg*	% chg*
DJIA	24,345.7	23,515.3	3.5%	21,917.2	11.1%	26,592.9	-8.5%	-14.7%
S&P 500	2,912.4	2,797.8	4.1%	2,584.6	12.7%	2,945.8	-1.1%	-9.9%
NYSE Comp Index	11,372.3	10,916.7	4.2%	10,301.9	10.4%	13,060.6	-12.9%	-18.3%
NASDAQ Composite	8,889.6	8,494.8	4.6%	7,700.1	15.4%	8,095.4	9.8%	-0.9%
Russell 2000	1,310.7	1,214.1	8.0%	1,153.1	13.7%	1,591.2	-17.6%	-21.4%
MSCI EM (Emerging Markets)	924.9	891.8	3.7%	848.6	9.0%	1,079.2	-14.3%	-17.0%
MSCI EAFE	1657.7	1,602.6	3.4%	1,559.6	6.3%	1,921.5	-13.7%	-18.6%
Japan Nikkei 225	20,193.7	19,429.4	3.9%	18,917.0	6.7%	22,258.7	-9.3%	-14.6%
FTSE 100	5,901.2	5,826.6	1.3%	5,672.0	4.0%	7,418.2	-20.4%	-20.9%
SSE Comp Index	2,860.1	2,838.5	0.8%	2,750.3	4.0%	3,078.3	-7.1%	-6.2%

US Equity Sector Performance

	Apr	YTD	1 Yr Ret.
Consumer Discretionary	20.5%	-2.7%	1.7%
Consumer Staples	6.9%	-6.8%	3.6%
Energy	29.8%	-35.7%	-38.3%
Financials	9.6%	-25.4%	-16.7%
Health Care	12.6%	-1.6%	14.5%
Industrials	8.7%	-20.7%	-15.9%
Information Tech	13.8%	0.2%	18.1%
Materials	15.3%	-14.8%	-7.2%
Communication Services	13.8%	-5.5%	3.3%
Utilities	3.2%	-10.7%	0.8%
Real Estate	9.4%	-11.1%	-2.1%

US Equity Style Performance

	Apr	YTD	1 Yr Ret.
Dow Jones Utilities	2.9%	-11.5%	-1.5%
DJ TRANS Avg.	8.3%	-22.8%	-21.5%
Russell 1000 Value	11.2%	-18.5%	-11.0%
Russell 1000 Growth	14.8%	-1.4%	10.8%
Russell 2000 Value	12.3%	-27.7%	-23.8%
Russell 2000 Growth	14.9%	-14.7%	-9.2%

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reported since Q3 2009 (-15.7%), if S&P 500 earnings were to finish at this level.

From a sector standpoint, all 11 sectors finished positive in April. The best performing sectors were the Energy (+29.8%) and Consumer Discretionary sectors (+20.6%). The worst performing sectors were the Utilities (+3.2%) and Consumer Staples (+6.9%) sectors. Year-to-Date, Information Technology (+0.2%) remains the best performing sector, while Energy (-35.7%) remains the worst performing sector, despite having a strong month.

Emerging Market (MSCI EM +9.0% MTD) and Developed International Equities (MSCI EAFE +6.3% MTD) closed higher in the month. In Italy, the epicenter of the European outbreak, the number of new COVID-19 cases is decreasing and a gradual reopening of the economy is beginning to take place. Germany has also relaxed some of their restrictions and the European Central Bank (ECB) continues to be extremely accommodative through its monetary policy. In Emerging Markets, China has been reopening its economy gradually and South Korea has proven very effective in managing the spread of the virus through a tremendous amount of testing and tracing.

Government debt yields remained largely unchanged in the month. The Fed's dramatic stimulus response continues to keep Treasury yields at extremely low levels.

The Bloomberg Commodity Index finished down -1.6% MTD. Crude oil extended declines (-8.0% MTD). Gold continued to rally (+6.1% MTD).

Bond Markets (%)

	4/30/20	1 Mth Ago	1 Yr Ago
US Benchmark Bond – 3 Mth	0.10	0.10	2.42
US Benchmark Bond – 6 Mth	0.10	0.11	2.39
US Benchmark Bond – 2 Yr	0.18	0.20	2.27
US Benchmark Bond – 5 Yr	0.34	0.37	2.28
US Benchmark Bond – 10 Yr	0.62	0.68	2.50
US Benchmark Bond – 30 Yr	1.28	1.32	2.93

US Bond Sector Performance

	Apr	YTD	1 Yr Ret.
Bloomberg Barclays U.S. Govt. Intrm. TR	0.28%	5.47%	9.18%

Exchange Rates (per US dollar)

	4/30/20	1 Mth Ago	1 Yr Ago
Canadian Dollar	1.389	1.423	1.345
Mexican Peso	23.810	23.459	19.023
Euro	0.913	0.911	0.892
British Pound	0.793	0.806	0.767
Swiss Franc	0.965	0.968	1.019
Chinese Yuan	7.052	7.093	6.737
Indian Rupee	75.095	75.651	69.554
Japanese Yen	106.935	107.955	111.375

Commodities (In US dollars)

	4/30/20	1 Mth Ago	1 Yr Ago
Gold	1,694.20	1,596.60	1,285.70
Crude Oil	18.84	20.48	63.91
US Dollar Index	99.03	99.09	97.20
Bloomberg Commodity Index	60.90	61.86	80.57

Interest Rates (%)

	4/30/20	1 Mth Ago	1 Yr Ago
Prime Rate	3.25	3.25	5.50
Federal Funds Rate	0.05	0.10	2.41
Libor Rate 30 Day	0.33	0.99	2.48
Libor Rate 3 Months	0.56	1.45	2.58
30yr Fixed Mortgage	3.23	3.33	4.14

Economic Sentiment

	4/30/20	1 Yr Ago
Unemployment Rate	4.40%	3.60%
Average Single Family Home Capacity Utilization	316,900	306,100
	72.70%	77.76%

*Performance for world indices represents price returns (excluding dividends) for the DJIA, S&P 500, NASDAQ, Russell 2000, MSCI EM, MSCI EAFE, NYSE, SSE, and Nikkei, due to data availability.

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