

April 2019 Market Watch

Following a strong first quarter, U.S. domestic equity markets continued to climb in April. The S&P 500 closed at an all-time high of 2,945.83 on the last day of the month, propelled by strong earnings results and better than expected GDP growth. According to Factset data, 78% of companies in the S&P 500 have reported results for Q1 2019 as of May 2nd. 76% of these companies have reported earnings per share above consensus estimates and six out of eleven sectors have reported positive year-over-year growth in earnings. The Bureau of Economic Analysis released Q1 2019 GDP in April, which showed that the U.S. economy grew at an above-trend annualized rate of 3.2% due to higher consumer spending, business inventories, and exports. This was well ahead of consensus estimates of 2.5% growth.

April employment numbers continued to reflect an expanding economy with the unemployment rate declining to 3.6%, the lowest level since 1969. Wage growth also ticked up 3.3% year-over-year, which could support higher consumption. However, the Fed's preferred measure of inflation (PCE) came in lower than expected at 1.6% year-over-year, posing a challenge to setting an appropriate monetary policy without choking economic growth.

	Date	1 Week Ago		1 Month Ago		1 Year Ago		YTD
	4/30/19	4/23/19	% chg	3/31/19	% chg	4/30/18	% chg	Return*
DJIA	26,592.9	26,656.4	-0.2%	25,928.7	2.6%	24,163.2	10.1%	14.0%
S&P 500	2,945.8	2,933.7	0.4%	2,834.4	3.9%	2,648.1	11.2%	17.5%
NYSE Comp Index	13,060.6	12,993.9	0.5%	12,696.9	2.9%	12,515.4	4.4%	14.8%
NASDAQ Composite	8,095.4	8,120.8	-0.3%	7,729.3	4.7%	7,066.3	14.6%	22.0%
Russell 2000	1,591.2	1,585.1	0.4%	1,539.7	3.3%	1,541.9	3.2%	18.0%
MSCI EM (Emerging Markets)	1,079.2	1,089.8	-1.0%	1,058.1	2.0%	1,164.4	-7.3%	11.8%
MSCI EAFE	1,921.5	1,921.9	0.0%	1,875.4	2.5%	2,043.7	-6.0%	11.7%
Japan Nikkei 225	22,258.7	22,259.7	0.0%	21,205.8	5.0%	22,467.9	-0.9%	11.2%
FTSE 100	7,418.2	7,523.1	-1.4%	7,279.2	1.9%	7,509.3	-1.2%	12.0%
SSE Comp Index	3,078.3	3,198.6	-3.8%	3,090.8	-0.4%	3,082.2	-0.1%	23.4%

US Equity Sector Performance

	April	YTD	1 Yr Ret.
Consumer Discretionary	5.7%	22.3%	16.9%
Consumer Staples	2.5%	14.8%	18.4%
Energy	0.1%	16.5%	-7.3%
Financials	9.0%	18.3%	4.3%
Health Care	-2.6%	3.8%	10.5%
Industrials	4.1%	22.0%	10.6%
Information Tech	6.4%	27.6%	22.8%
Materials	3.6%	14.3%	3.0%
Communication Services	6.5%	21.4%	15.9%
Utilities	0.9%	11.9%	18.0%
Real Estate	-0.6%	16.7%	21.3%

US Equity Style Performance

	April	YTD	1 Yr Ret.
Dow Jones Utilities	1.4%	10.8%	11.7%
AMEX DJ TRANS Avg.	4.2%	18.7%	5.6%
Russell 1000 Value	3.5%	15.9%	9.1%
Russell 1000 Growth	4.5%	21.3%	17.4%
Russell 2000 Value	3.8%	16.2%	2.2%
Russell 2000 Growth	3.0%	20.7%	6.9%

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The technology-heavy NASDAQ index also hit an all-time high in the month and was the best performing domestic equity index in April. In the month, nine out of the eleven S&P 500 sectors ended in positive territory, led by Financials (+9.0% MTD) and Communication Services (+6.5% MTD). The worst-performing sectors were Healthcare (-2.6% MTD) and Real Estate (-0.6% MTD).

International equities continue to lag U.S. equities due a variety of factors including sluggish growth in Europe and Japan, U.S.-China trade tensions, and the headwind of a strong U.S. dollar vs. many emerging market currencies. Emerging Market equities (MSCI EM +2.0% MTD) slightly underperformed developed international market equities (MSCI EAFE +2.5% MTD) in April.

Following a strong first quarter, U.S. fixed income markets were relatively flat in April. High Yield bonds were the standout in the month (+1.4% MTD), as credit spreads tightened. The decrease in Treasury bond prices in April caused Treasury yields to increase slightly across the curve, as bond prices move inversely to bond yields. The yield curve steepened slightly as long-term 30-year treasury yields increased 9 basis points (bps), while short-term 3 month yields only increased by 3 bps.

The Bloomberg Commodity Index finished down -0.6% MTD in April, and -10.1% in the past 12 months. Components were mixed this month, as crude oil closed the month at \$63.91/barrel (+6.3% MTD), while gold settled at \$1,285.70/ounce (-1.0% MTD).

Bond Markets (%)

	4/30/19	1 Mth Ago	1 Yr Ago
US Benchmark Bond – 3 Mth	2.42	2.39	1.81
US Benchmark Bond – 6 Mth	2.45	2.43	2.01
US Benchmark Bond – 2 Yr	2.27	2.27	2.47
US Benchmark Bond – 5 Yr	2.28	2.24	2.78
US Benchmark Bond – 10 Yr	2.50	2.42	2.93
US Benchmark Bond – 30 Yr	2.93	2.82	3.09

US Bond Sector Performance

	April	YTD	1 Yr Ret.
Bloomberg Barclays U.S. Aggregate Govt. Intrm.	0.05%	1.63%	4.43%

Exchange Rates (per US dollar)

	4/30/19	1 Mth Ago	1 Yr Ago
Canadian Dollar	1.345	1.336	1.282
Mexican Peso	19.023	19.398	18.782
Euro	0.892	0.891	0.828
British Pound	0.767	0.767	0.726
Swiss Franc	1.019	0.996	0.990
Chinese Yuan	6.737	6.720	6.345
Indian Rupee	69.554	69.275	66.740
Japanese Yen	111.375	110.685	109.425

Commodities (In US dollars)

	4/30/19	1 Mth Ago	1 Yr Ago
Gold	1,285.70	1,298.50	1,319.20
Crude Oil	63.91	60.14	68.57
US Dollar Index	97.20	96.85	91.63
Bloomberg Commodity Index	80.57	81.09	89.59

Interest Rates (%)

	4/30/19	1 Mth Ago	1 Yr Ago
Prime Rate	5.50	5.50	4.75
Federal Funds Rate	2.41	2.41	1.70
Libor Rate 30 Day	2.48	2.49	1.91
Libor Rate 3 Months	2.58	2.60	2.36
30yr Fixed Mortgage	4.14	4.06	4.55

Economic Sentiment

	4/30/19	1 Yr Ago
Unemployment Rate	3.60%	3.90%
Average Single Family Home	298,100	298,700
Capacity Utilization	78.80%	78.80%

*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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