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Weekly Insight

April 24, 2019

Returns were positive for the week in both fixed income as well as equities. The S&P 500 Index advanced 0.9% and reached a record closing high this week. It has been one of the sharpest rallies of all time based on gain per unit of time. The dollar index has gone under the radar, but reached a one-year high this week. This led to emerging market equities declining by 1.1% thanks in part to a 4.1% drop in the benchmark Korean Kospi when adjusted for currency. The Bloomberg Barclays Aggregate Bond Index was up 0.4% as interest rates moved lower.

The economic backdrop showed some improvement in domestic data, although sentiment data continues to be soft. Retail sales came in well above expectations with the "core" control group rising 1.0% in March versus expectations of 0.4%. The big gain was signaled in data from credit card spending, which is released earlier in the calendar. Continuing jobless claims have dropped as of late and help reduce the likelihood of a weakening employment backdrop. Existing home sales remain weak, but new home sales rebounded in March. The Philadelphia Fed Business Outlook, a sentiment survey, was weaker than expected, and the six-month forecast for general business activity reached its lowest level since 2016.

On the global front, the German economy remains front and center. Their manufacturing PMI showed very little improvement in March after an extremely weak February reading. Their version of the business outlook remains near its lowest level in 10 years on weak optimism. Australia is also closely linked with global growth, and their CPI reading was well short of consensus estimates. This caused their 10-year government bond yield to drop 17 basis points as the market anticipated room for central bank easing. This in turn pulled down U.S. yields, as well as all global bond yields. Sweden – which is also an open, export economy – had their central bank halt plans to raise interest rates and extend their bond buying program. Central banks around the globe are quickly shifting toward an easing bias.

First-quarter earnings season continues to be the focus point. Results have thus far come in better than expected, especially in some key technology companies. The Nasdaq 100 has been leading markets up this month and is poised to have another outperforming week. The FOMC meets next week and will again be a focal point.

Weekly Market Topics

- **Economy**
- **Fixed Income Markets**
- **Equity Markets**

All data is as of the above referenced date.

Interest Rates (%)	Current	12M Ago	3YR Ago
Fed Funds Rate (Upper bound)	2.50	1.75	0.50
3-Month T-Bill	2.42	1.81	0.20
10-Year Treasury	2.52	2.87	1.77
30-Year Treasury	2.93	3.06	2.58
10-Year Corporate AA	3.27	3.80	2.78
10-Year High Yield Corp.	5.62	5.85	5.96
Commodity Prices ($)	**Current**	**12M Ago**	**3YR Ago**
Gold ($/oz.)	1,275.76	1,349.41	1,232.49
Oil (WTI, $/barrel)	65.89	62.10	47.29
Currencies	**Current**	**12M Ago**	**3YR Ago**
USD (Dollar Index Spot)	98.17	89.62	94.49
USD/EUR	0.90	0.81	0.88
USD/JPY	112.19	107.23	108.82

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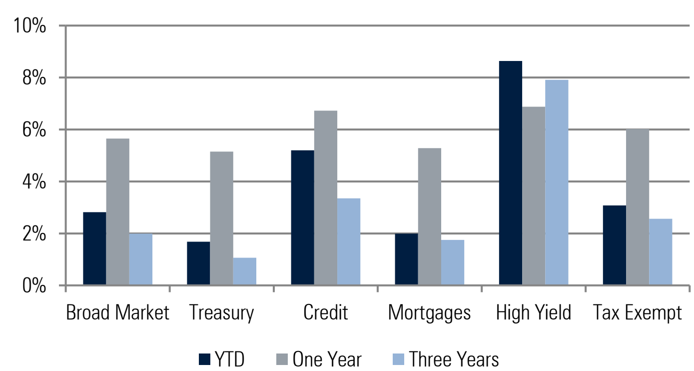
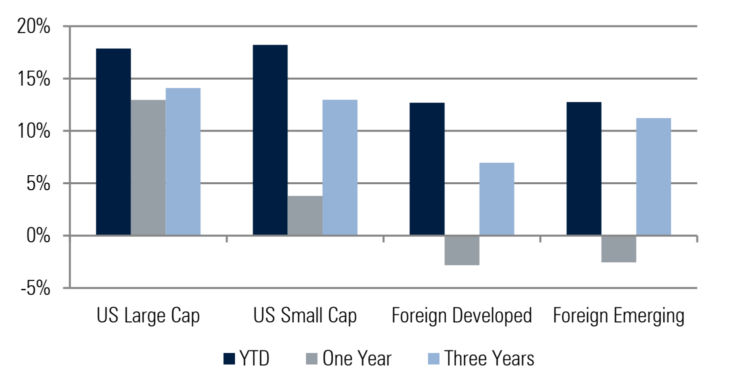
Bond Market Total Returns



Equity Market Total Returns



Source: BTC Capital Management, Bloomberg LP, Ibbotson Associates.
The information provided has been obtained from sources deemed reliable, but BTC Capital Management and its affiliates cannot guarantee accuracy. Past performance is not a guarantee of future returns. Performance over periods exceeding 12 months has been annualized.