

The S&P 500 is down 0.62% for the week. This is after a 4.5% drop from May 3 – May 13. Conversations around trade between the United States and China have contributed to the volatility. There is a precarious balancing act between the potential impact to the U.S. economy caused by trade tariffs and the positive performance we have seen for Q1 of 2019. With a little over 90% of S&P 500 companies reporting, we are seeing a better than expected quarter. Sales surprised to the upside by 0.21% and earnings by 5.87%. Reported sales growth for the period so far is at 5.68% and earnings have grown by 0.18%. The broad consensus was a contraction in earnings. Sales and earnings for the remaining quarters of 2019 are expected to be positive.

Year-over-year CPI rose by 2% in April. This is slightly lower than the expected 2.1%, but higher than March's reading of 1.9%. Month-over-month growth was 0.3%. The increase was led by rising gasoline, rent and health care costs.

Year-over-year, producer prices rose by 2.2% and month-over-month growth was 0.2% as measured by PPI. This comes after a relatively large move in March of 0.6%. The PCE, CPI and PPI have remained flat despite the strong economy. Historically, economic growth has led to increased prices as people purchase more.

Businesses still seem optimistic. The Small Business Index, a survey of small business optimism, recorded a reading of 103.5. This is higher than last month's 101.8 and is a four-month high.

We also saw a strong manufacturing number out of New York this month. The Empire State Index, a survey of manufacturers in the state of New York, came in at 17.8. This is more than twice the expected 8 and larger than April's 10.1.

Retail sales dipped a little in April. There was a reduction in retail sales of 0.2%, which was lower than the previous month's revised number of 1.7%. The dip was caused by a decrease in car sales and in sales of electronics and appliance stores. Car sales dropped by 1.1%. There was an increase in retail sales of 0.10% after excluding the impact of autos.

Business inventories stayed flat in March, which was in-line with expectations. Business inventories have traditionally been a leading economic indicator.

## 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	2.39	1.82	0.19
10-Year Treasury	2.37	2.97	1.87
30-Year Treasury	2.82	3.15	2.72
10-Year Corporate AA	3.18	3.90	2.80
10-Year High Yield Corp.	5.84	6.17	5.95

Commodity Prices (\$)	Current	12M Ago	3YR Ago
Gold (\$/oz.)	1,296.49	1,304.96	1,291.55
Oil (WTI, \$/barrel)	62.02	61.80	50.62

Currencies	Current	12M Ago	3YR Ago
USD (Dollar Index Spot)	97.57	92.51	92.63
USD/EUR	0.89	0.84	0.87
USD/JPY	109.60	109.84	106.41

### For more information, contact:

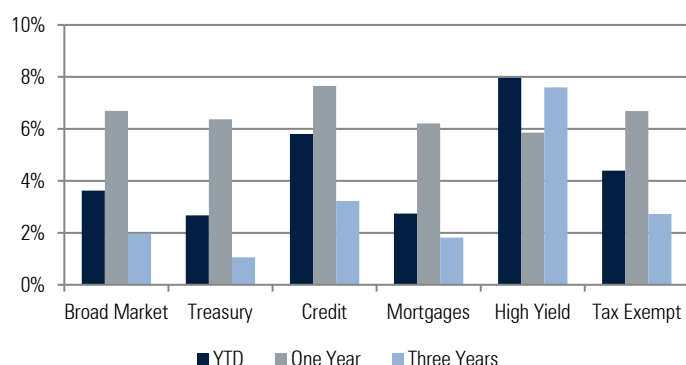
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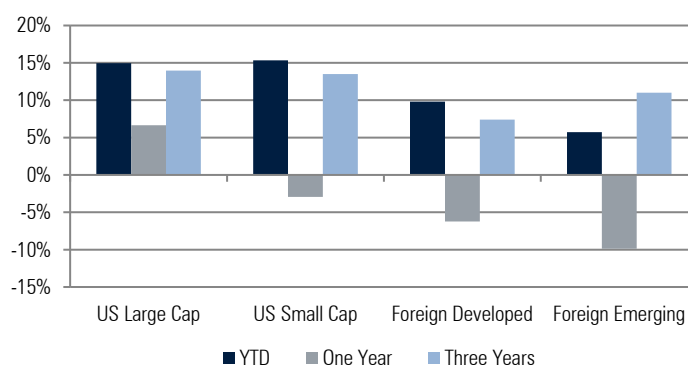
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### Bond Market Total Returns



### Equity Market Total Returns



Source: BTC Capital Management, Bloomberg LP, Ibbotson Associates.

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