

THE WEEK IN REVIEW

U.S. stocks had a bumpy, holiday-shortened week, as the S&P 500 rebounded 2.7% on Monday to reclaim about half of last week's 6.0% decline. Investors' concern about a trade war with China eased on Monday following news that the U.S. and China began negotiations to improve market access for U.S. companies in China. The S&P 500's rebound was short lived, however, as the index fell 1.7% on Tuesday pressured in part by President Trump's announcement of a potential move to block Chinese investment in "sensitive" U.S. technology companies. Weakness in technology sector stocks also weighed on the S&P 500 midweek. Declines in technology stocks were driven by rising concerns over the prospect of increased regulation and worries about semiconductor demand disruption for autonomous vehicles following fatal accidents in test programs for Tesla and Uber. The market rebounded Thursday and finished the week with a small gain, but ended the quarter with its first loss since the third quarter of 2015. In bond markets, heightened investor anxiety this week led yields on the U.S. ten year Treasury bond to fall below 2.75% - their lowest level since early February.

Housing prices in the U.S. continued their ascent amid strong demand and low inventory. The S&P CoreLogic Case-Shiller National Home Price Index rose 6.3% year-over-year in March. Economists expect the pace of price acceleration to slow this year due to home price growth outpacing wage growth, rising mortgage rates, and a reduction in the mortgage interest deduction limit. Consumer confidence remained relatively robust in March, as the University of Michigan Consumer Sentiment Index reached its highest level since January 2004. This marks just the third time in the past fifteen years that the index has ended a month above 100. Similarly, the Conference Board Consumer Confidence index measured a strong reading in March as well, posting its third highest level over the past fifteen years, a month after posting its peak over that same time period.

The Commerce Department revised higher the final estimate of U.S. fourth-quarter Gross Domestic Product growth to 2.9%, beating the median economist's estimate by 0.2%. Upward revisions in the personal consumption and nonresidential fixed investment components of GDP were the biggest contributors to the headline number revision. The Personal Consumption Expenditure (PCE) index climbed 1.8% on a year-over-year basis in February. The core PCE index, the Fed's preferred measure because it excludes volatile food and energy prices, rose 1.6% on a year-over-year basis, slightly higher than the 1.5% climb seen in January.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
Real GDP (QoQ Annualized)	2.9%	3.2%	▼
Conf. Board Consumer Confidence	127.7	123.1	▲
U. of Mich. Consumer Sentiment	101.4	95.9	▲
Core PCE Price Index (YoY)	1.6%	1.5%	▲
Personal Income (YoY)	3.7%	4.0%	▼
Personal Spending (YoY)	4.6%	4.7%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	24103.11	2.42%	-2.49%	16.67%
NASDAQ	7063.45	1.01%	2.32%	19.77%
S&P 500 Large Cap	2640.87	2.03%	-1.22%	11.85%
MSCI EAFE	2001.80	0.61%	-2.39%	11.09%
Barclays Aggregate US	2012.11	0.31%	-1.67%	0.97%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.70%	1.65%	0.77%
10-Year Treasury	2.74%	2.86%	2.38%

REPORTS DUE NEXT WEEK	LATEST
ISM Manufacturing	60.8
ISM Non-Manufacturing	59.5
Non-Farm Payrolls	313,000
Unemployment Rate	4.1%

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

Opinions herein are as of the publication date; and are subject to change without notice, they are not statements of facts and may include "forward-looking statements" which may or may not be accurate over the long term. The week is calculated beginning with Monday's market open. Report includes candid statements and observations regarding investment strategies, asset allocation, individual securities, and economic and market conditions. Statements, opinions or forecasts not guaranteed. Do not place undue reliance on forward-looking statements. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Indices and sector statistics are unmanaged and are a common measure of performance of their respective asset classes. Indices are not available for direct investment. Past performance is not indicative of future results. The value of investments and the income derived from investments can go down as well as up. Future returns are not guaranteed, and a loss of principal may occur. Investing for short periods may make losses more likely. Not a deposit, not FDIC insured, may lose value, not bank guaranteed, not insured by any federal government agency.