

THE WEEK IN REVIEW

Following a sharp sell-off to start the week, U.S. equities recovered on Wednesday and Thursday, but closed with weakness Friday. The technology-heavy NASDAQ composite declined 2.1% on the week, while the S&P 500 Index fell 1.4% and the blue chip Dow Jones Industrial Average shed 170 points. Equities bounced around amid growing concern over U.S.-China trade relations as China announced retaliatory tariffs that were followed by an announcement from President Trump threatening further tariffs on up to \$100 billion of additional Chinese imports. Developed international equities fared better than their U.S. peers, while emergent market stocks suffered steeper losses. After climbing to as high as 2.84% during intraday trading late Thursday, yields on the benchmark U.S. 10-Year Treasury Bond tightened to end the week at a yield of 2.77%.

The U.S. trade deficit increased to nearly a nine-year high in February as both exports and imports rose to record highs. On Thursday, the Commerce Department stated that the trade gap rose 1.6% to \$57.6 billion, the highest level since October 2008 and followed a slightly downward revised \$56.7 billion shortfall in January. News of the widening trade deficit comes as the U.S. and China go back and forth on implementing potential tit-for-tat tariffs. The Trump administration on Tuesday targeted 25% tariffs on some 1,300 Chinese industrial technology, transport and medical products to force changes in Beijing's intellectual property practices. On Wednesday, China retaliated by announcing that it would impose an additional 25% levy on around \$50 billion of U.S. imports including soybeans, automobiles, chemicals and aircraft. The Administration then announced Thursday it would explore another \$100 billion of tariffs targeting Chinese imports.

Hiring slowed in March from February's robust pace, and the unemployment rate held at a 17-year low, consistent with a tight, but not overheating, labor market producing modest wage gains. U.S. nonfarm payrolls rose a seasonally adjusted 103,000 in March, the smallest gain in six months, the Labor Department announced Friday. It was a pullback from February's upwardly revised 326,000 jobs added, which was the strongest monthly performance since 2015. The unemployment rate of 4.1% remained at the lowest level since December 2000 for the sixth straight month.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
ISM Manufacturing	59.3	59.3	-
ISM Non-Manufacturing	58.8	56.0	▲
Non-Farm Payrolls	103,000	175,000	▼
Unemployment Rate	4.1%	4.1%	-

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	23932.76	-0.71%	-3.18%	15.82%
NASDAQ	6915.11	-2.10%	0.17%	17.62%
S&P 500 Large Cap	2604.47	-1.38%	-2.59%	10.48%
MSCI EAFE	2014.20	0.43%	-1.78%	13.13%
Barclays Aggregate US	2009.57	-0.34%	-1.80%	0.54%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.71%	1.66%	0.80%
10-Year Treasury	2.77%	2.89%	2.34%

REPORTS DUE NEXT WEEK	LATEST
Consumer Price Index (YoY)	2.2%
Producer Price Index (YoY)	2.8%
JOLTS Job Openings (Millions)	6.312

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