

## THE WEEK IN REVIEW

Global stocks pushed higher in the first week of June, led by the major U.S. benchmarks. Last Friday's better-than-expected payrolls report appears to have helped propel the Dow Jones Industrial Average and S&P 500 Index to gains of 2.7% and 1.6%, respectively, this week. Looking abroad, Brazilian stocks had a painful week, as the benchmark Ibovespa Index fell nearly 6.0% amid a nationwide trucker strike and large scale central bank intervention to stem currency weakness. Stateside, yields on the benchmark U.S. 10-year Treasury bond ended the week slightly higher, gaining just 0.02% to close at 2.94%. In commodity markets, both gold and oil prices ended the week relatively flat.

As the week came to a close, markets appeared to view with uncertainty the meeting of Group of Seven (G-7) nations summit which takes place in Quebec from June 8-9. The summit brings together national leaders from the U.S., Canada, Japan, United Kingdom, Italy, France and Germany to discuss and facilitate macroeconomic initiatives. Included among the key topics of the G-7 meeting are a new populist-led Italian government, the United Kingdom's 2019 exit from the European Union, and the Trump Administration's concerns surrounding trade imbalance practices.

In other recent economic news, orders for durable goods fell 1.7% in April as demand for transportation equipment declined 6.1%. However, new orders for U.S. capital goods jumped more than expected while shipments rebounded. Orders for non-defense capital goods excluding aircraft, considered the core capital goods orders, increased 1% in April. This data suggests business investment on durable goods is rising after slowing at the end of the first quarter of 2018.

In April, U.S. job openings jumped to a fresh record of 6.7 million, the highest level since the government began tracking the data in 2000. Job vacancies continue to exceed the number of unemployed workers, suggesting a strong labor market. The increase in openings in April was expansive, led by professional and business services and manufacturing. The labor market appears near full employment as the unemployment rate sits at an 18-year low of 3.8%.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
Durable Goods Orders	-1.7%	-4.2%	▲
ISM Non-Manufacturing	58.6	59.5	▼
Trade Balance (\$ billions)	-46.2	-52.8	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	25316.53	2.77%	2.42%	19.52%
NASDAQ	7645.51	1.21%	10.75%	20.94%
S&P 500 Large Cap	2779.03	1.62%	3.94%	14.19%
MSCI EAFE	2021.08	1.44%	-1.45%	6.68%
Barclays Aggregate US	2004.65	-0.20%	-2.04%	-0.99%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.91%	1.85%	0.99%
10-Year Treasury	2.94%	2.98%	2.19%

REPORTS DUE NEXT WEEK	LATEST
Consumer Price Index (YoY)	2.5%
Retail Sales (YoY)	4.6%
Industrial Production (M/M)	0.72%

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