ATG TRUST
COMPANY

FINANCIAL MARKET UPDATE
4/5/19

THE WEEK IN REVIEW

All three major U.S. equity indexes started the second quarter on a high note. The S&P 500 Index climbed 2.1% to finish the week at 2,892.74 following its best first quarter performance in over two decades. In U.S. government bond markets, the difference between the three-month Treasury bill and the ten-year Treasury note (often referred to as the yield curve) increased from negative territory last week to about 0.07% by Friday's close.

Investors cheered better-than-expected manufacturing sector data from both China and the United States early in the week. China's manufacturing sector unexpectedly returned to expansion territory for the first time in four months. The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI), which reports China's manufacturing sector activity, increased to 50.8 in March on the heels of the government's recent fiscal stimulus package. The U.S. ISM Manufacturing Index increased to 55.3 in March, up from 54.2 in February. Positive surprises in the new orders, production and employment components were the biggest drivers of the March report's strength.

President Trump welcomed Chinese Vice Premier Liu He this week to continue another round of high level trade negotiations. Trump said on Thursday that a possible deal could be reached in the next four weeks; however, he added that meeting a month-end deadline would be challenging. Although the negotiations are in the final stages according to the President, U.S. Trade Representative Robert Lighthizer has commented that major issues are still pending.

Domestic employers added 196,000 new jobs to the U.S. economy in March, slightly more than the expected amount of 175,000. Nonfarm payrolls posted a solid rebound from the upwardly revised 33,000 jobs added in February. The unemployment rate also held steady at 3.8% last month, just above a near 50-year low of 3.7% reached last fall. Average hourly wages for private-sector workers grew 3.2% from a year earlier, which was a strong increase, though a slowdown from February's 3.4% gain.

U.S. retail sales fell in February by 0.2%, as consumers pulled back their spending on building materials, groceries, furniture, electronics and clothing. February's weakness follows an upwardly revised 0.7% gain in January. Excluding automobiles, gasoline, building materials and food services, retail sales fell 0.2% in February after an upwardly revised 1.7% surge in January. These so-called core retail sales historically correspond most closely with the consumer spending component of GDP.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
Retail Sales (Less Autos YoY)	2.2%	4.6%	▼
ISM Manufacturing	55.3	54.3	▲
Durable Goods Orders	-1.6%	0.9%	▼
Non-Farm Payrolls	196,000	227,000	▼
Unemployment Rate	3.8%	3.9%	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	26424.99	1.91%	13.28%	7.83%
NASDAQ	7938.69	2.71%	19.64%	12.18%
S&P 500	2892.74	2.06%	15.39%	8.63%
MSCI EAFE	1909.97	1.84%	11.05%	-5.17%
Bbg Barclays Aggregate US	2098.59	-0.39%	2.54%	4.43%

KEY BOND RATES	CURRENT	1WK AGO	1MO AGO	1YR AGO
3-Month T-Bill	2.42%	2.38%	2.43%	1.71%
10-Year Treasury	2.50%	2.41%	2.72%	2.83%

REPORTS DUE NEXT WEEK	LATEST
JOLTS Job Openings (Millions)	7.581
Consumer Price Index (YoY)	1.5%
U. of Mich. Consumer Sentiment	98.4

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