

The S&P 500 was up 1.6% for the week and outpaced the NASDAQ Composite as well as small cap equities. Emerging Markets had a good week with a 2.1% gain. The Dow Jones Industrial Average has declined for six consecutive calendar weeks, its longest losing streak since 2011, but looks poised to end the streak this week. The Department of Justice opened up an anti-trust probe into Google sending its shares down more than 5% and pulling the NYFANG+ Index down more than 1.7% for the week. The NYFANG+ Index is comprised of well-known technology leaders in both the United States and China. The Bloomberg Barclays Aggregate Bond Index gained 0.6% for the week as bond yields continued to fall.

President Trump said that tariffs with Mexico will be enacted as a means to achieve his goals on immigration. This sent bond yields plunging on Friday after having already had a strong move. The 2-Year Treasury fell 23 basis points over the two-day period from Friday to Monday thanks to a two-front tariff war and a weaker than expected ISM Manufacturing report. The two-day drop was the largest since 2008. Jobless claims remain at extreme lows; however, the ADP employment report showed only 27,000 job gains versus an expectation of 185,000. It was the lowest reading during this economic expansion. The market is hoping it is an aberration and the BLS report on Friday will provide a more upbeat tone.

FOMC members are taking to the airways this week, which usually helps bolster the markets as they offer their conciliatory tones. The message is clear the Fed is more open to rate cuts than they were several weeks ago. But the Fed still holds a generally reluctant view and wants to see notable weakness in the data first. The bond market thinks it has seen enough evidence and is pricing in a near 67% chance of a cut by the July meeting. The bond market is now fully pricing in three interest rate cuts over the coming 18 months. Global central banks have actually started to head down the easing path. The Reserve Bank of Australia cut their target rate 25 basis points to 1.25%, and the Reserve Bank of India continued their easing bias with another cut of 25 basis points this week.

First quarter earnings were better than expected, but the anticipated second half rebound has lost some momentum. Markets will be looking for signs earnings growth can hold up amid an uneven and noisy macro environment.

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	2.34	1.91	0.31
10-Year Treasury	2.13	2.86	1.85
30-Year Treasury	2.65	3.03	2.65
10-Year Corporate AA	2.98	3.76	2.87
10-Year High Yield Corp.	5.81	6.28	5.98

Commodity Prices (\$)	Current	12M Ago	3YR Ago
Gold (\$/oz.)	1,330.32	1,301.38	1,204.95
Oil (WTI, \$/barrel)	51.68	63.51	53.98

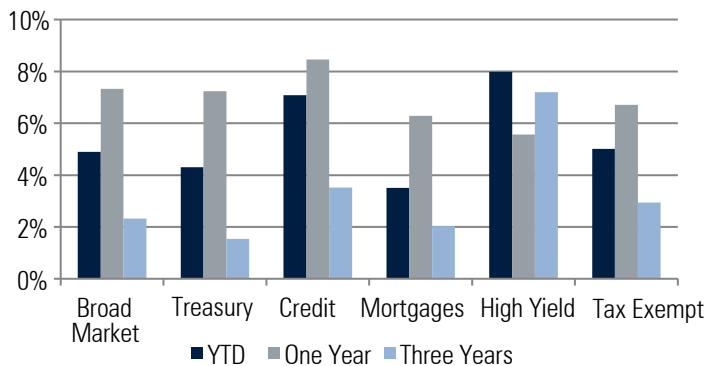
Currencies	Current	12M Ago	3YR Ago
USD (Dollar Index Spot)	97.32	94.07	95.52
USD/EUR	0.89	0.86	0.90
USD/JPY	108.46	108.91	111.12

For more information, contact:

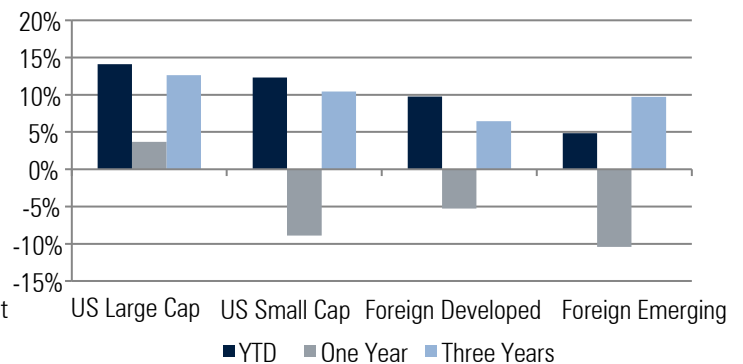
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Bond Market Total Returns



Equity Market Total Returns



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

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