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P R E M I A
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A Wealth of Advice

Market Week: April 22, 2019



The Markets (as of market close April 19, 2019)

Stocks moved very little during the holiday-shortened week (markets were closed in observance of Good Friday). The large caps of the Dow inched up a little over 0.5%, while the S&P 500 dropped less than 0.1%. With light trading, the Cboe Volatility Index® fell to an eight-month low last week. Favorable earnings reports helped push industrial shares higher, offset by dipping health-care stocks. The yield on 10-year Treasuries stayed stagnant last week. Year-to-date, each of the benchmark indexes listed here are comfortably ahead of their respective 2018 closing values, led by the Nasdaq, followed by the Russell 2000, the S&P 500, the Dow, and the Global Dow.

Oil prices rose again last week, closing at \$64.00 per barrel by late Friday, up from the prior week's closing price of \$63.77 per barrel. The price of gold (COMEX) fell again last week, closing at \$1,277.90 by Friday evening, down from the prior week's price of \$1,293.70. The national average retail regular gasoline price was \$2.828 per gallon on April 15, 2019, \$0.083 higher than the prior week's price and \$0.081 more than a year ago.

| Market/Index | 2018 Close | Prior Week | As of 4/19 | Weekly Change | YTD Change |
|-------------------------------|-------------|-------------|-------------|---------------|------------|
| DJIA | 23327.46 | 26412.30 | 26559.54 | 0.56% | 13.86% |
| Nasdaq | 6635.28 | 7984.16 | 7998.06 | 0.17% | 20.54% |
| S&P 500 | 2506.85 | 2907.41 | 2905.03 | -0.08% | 15.88% |
| Russell 2000 | 1348.56 | 1584.80 | 1565.75 | -1.20% | 16.11% |
| Global Dow | 2736.74 | 3079.86 | 3094.67 | 0.48% | 13.08% |
| Fed. Funds target rate | 2.25%-2.50% | 2.25%-2.50% | 2.25%-2.50% | 0 bps | 0 bps |
| 10-year Treasuries | 2.68% | 2.56% | 2.56% | 0 bps | -12 bps |

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic Headlines

- What is hopefully a sign of a strengthening economy, retail sales increased 1.6% in March and are up 3.6% over March 2018. This is the largest monthly increase since September 2017. Excluding motor vehicles and gas station sales, retail sales advanced 0.9% last month. Certain retailers enjoyed a boost in sales, including motor vehicle and parts dealers (3.1%), furniture and home furnishing stores (1.7%), clothing stores (2.0%), and gas stations (3.5%). Online retail sales increased 1.2% in March and are up 11.6% over the past 12 months.
- Industrial production continues to stagnate, according to the latest report from the Federal Reserve. In March, industrial production edged down 0.1% after inching up 0.1% in February. For the first three months of the year, industrial production has fallen 0.3%. Manufacturing was unchanged in March after receding in both January and February. Motor vehicles and parts production fell 2.5% for the month and

Key Dates/Data Releases

4/22: Existing home sales

4/23: New home sales

4/25: Durable goods orders

4/26: GDP

4.5% for the last 12 months. Utilities production rose 0.2% in March, while mining output fell 0.8%. Capacity utilization for the industrial sector decreased 0.2 percentage point in March to 78.8%, a rate that is 1.0 percentage point below its long-run average.

- The goods and services deficit was \$49.4 billion in February, down \$1.8 billion from January. February exports increased 1.1% for the month, while imports inched up 0.2%. For the first two months of 2019, the trade deficit sits at \$100.5 billion, down roughly \$8.3 billion from the deficit over the same period in 2018.
- Just when it appeared the housing sector was picking up steam, the figures for housing starts for March pointed in the opposite direction. Housing starts fell 0.3% in March from the previous month, according to the latest report from the Census Bureau. Building permits dropped 1.7% and home completions decreased 1.9% in March. Compared to last March, starts are down 14.2% and building permits are off 7.8%, but completions are 6.8% above last year's rate.
- For the week ended April 13, there were 192,000 new claims for unemployment insurance, a decrease of 5,000 from the previous week's level, which was revised up by 1,000. This is the lowest level for initial claims since September 6, 1969, when it was 182,000. According to the Department of Labor, the advance rate for insured unemployment claims remained at 1.2% for the week ended April 6. The advance number of those receiving unemployment insurance benefits during the week ended April 6 was 1,653,000, a decrease of 63,000 from the prior week's level, which was revised up by 3,000.

Eye on the Week Ahead

The initial, or preliminary, release of the first-quarter gross domestic product is out this Friday. The GDP increased 2.2% in the fourth quarter, and 2.9% for 2018. However, economic growth slowed further into last year, as consumer spending and business investment decreased. Neither sector has picked up much steam during the first quarter of 2019, which could continue to hold down the economy.

Data sources: News items are based on reports from multiple commonly available international news sources (i.e. wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. Market data: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. Market indices listed are unmanaged and are not available for direct investment.

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