



Good morning!

US employers added +263,000 jobs in April 2019, pushing the nation's jobless rate to 3.6%, its lowest level since December 1969. In fact, the government has reported an unemployment rate lower than 3.6% only 17 times since January 1954 (65 years ago), equal to just 2% of the preceding 783 months (source: Department of Labor).

The US Federal Reserve has long maintained that +2% annual inflation is its target – somewhere between “too much inflation” (which can lead to an overheated economy that may suffer from runaway inflation) and “too little inflation” (which can lead to a sluggish economy that may stumble into a recession). The message from Federal Reserve Chair Jerome Powell following last week's meeting of the nation's central bank: the Fed will do what it takes to get our “too little inflation” back on target, but for now, that commitment does not include an interest rate cut (source: Federal Reserve).

Democratic leaders in the House and the Senate announced an “agreement in principle” with President Donald Trump last week on a \$2 trillion infrastructure spending plan for the next decade. The broad outline, roughly equivalent to \$4 billion of spending per week for the next 10 years, would repair or replace our nation's aging system of roads, airports, and power plants while bringing high-speed internet access to all sections of the country (source: White House).

Notable Numbers for the Week:

1. **JUST FOURTEEN DAYS** - The **best 14 trading days** for the S&P 500 over the **last 10 years** (2009-2018) **gained +86.2%** (total return), more than the **+84.2% gained** by the **other 2,502 trading days** in the decade (source: BTN Research).
2. **ALL ARE TOO HIGH** - On 12/17/18, **10 Wall Street strategists** forecasted the yield of the **10-year Treasury note** as of 12/31/19, i.e., a year into the future. The **10 predictions** ranged from a **low of 2.75%** to a **high of 3.60%**. The yield on the 10-year Treasury note **closed at 2.50%** as of Tuesday 4/30/19 (source: Barron's).
3. **GOOD START** - It was only the “**advance**” estimate on the growth of the US economy during the 1st quarter 2019, but the **+3.2% increase** (i.e., quarter-over-quarter change expressed as an annualized result) reported on 4/26/19 represents a rate that **has not been bested** during any calendar year **since 2005** (source: Department of Labor).
4. **DOLLARS IN, DOLLARS OUT** - At the end of 2018, Medicare was covering **59.9 million Americans** (18% of our population). The program was **cash positive** in 2018, taking in **\$756 billion** of income (including \$10 billion of interest income) while paying out **\$741 billion in benefits** (source: Medicare).

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