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Market Monitor



- The S&P 500, Dow Industrials (+0.34%) and Nasdaq Composite (+0.08%) posted their first monthly gains since January.
- Crude oil rose 5.7% for a second straight month, reaching \$68.57/bbl., prompting commodities (Bloomberg Commodities Index) to outperform stocks and bonds in April (+2.42%) and YTD (+1.62%).
- The U.S. Dollar had its best month since November 2016, while benchmark Treasuries surpassed a four year high.

Stocks ended April on a sour note, paring much of the gains on the last day of the month, as optimism over solid corporate earnings and a wave of merger deals gave way to continuing uncertainty. All three major U.S. equity indices posted their first gains in two months, but mostly met resistance near their 50-day averages amid persistent worries over rising interest rates, trade tariffs and other geopolitical issues. On the bright side, first quarter S&P 500 corporate earnings, now halfway complete, are on track to report overall profit growth of 23%, their strongest showing since mid-2010. Meanwhile, Commerce officials said first quarter GDP cooled from the prior quarter, while labor costs rose the most since 2008.

By market capitalization, domestic small cap stocks outperformed both large and mid-cap equities. Mostly cyclical oriented sectors were the top performers last month and YTD, while defensive sectors, including Consumer Staples, consistently lagged in both periods. In international equities, emerging markets widely trailed ex-U.S. developed markets last month, while both major foreign market groups outperformed the U.S. on a YTD basis.

Prospects for a more aggressive Federal Reserve sent the yield on 10-year Treasuries above 3% for the first time since late 2014, but traded below that key level at the end of the month. As prices eroded, the benchmark yield rose nearly 0.22% in April, ending the month at 2.958%. On a total return basis, long-term U.S. debt fell the most last month, while municipal bonds fell the least. Muni's and non-investment grade high yield bonds both outperformed the Bloomberg Barclays U.S. Aggregate Bond Index.

Top Performers – April ¹	Top Performers – Year-to-Date
Energy (+9.36%)	Consumer Discretionary (+5.53%)
Consumer Discretionary (+2.36%)	Technology (+3.62%)
Utilities (+2.10%)	Energy (+2.92%)
Bottom Performers – April	Bottom Performers – Year-to-Date
Consumer Staples (-4.32%)	Consumer Staples (-11.13%)
Industrials (-2.79%)	Telecom (-8.39%)
Telecom (-0.98%)	Real Estate (-5.61%)

¹ Morningstar Direct (all performance percentages are total return based, which include reinvested dividend, interest)

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