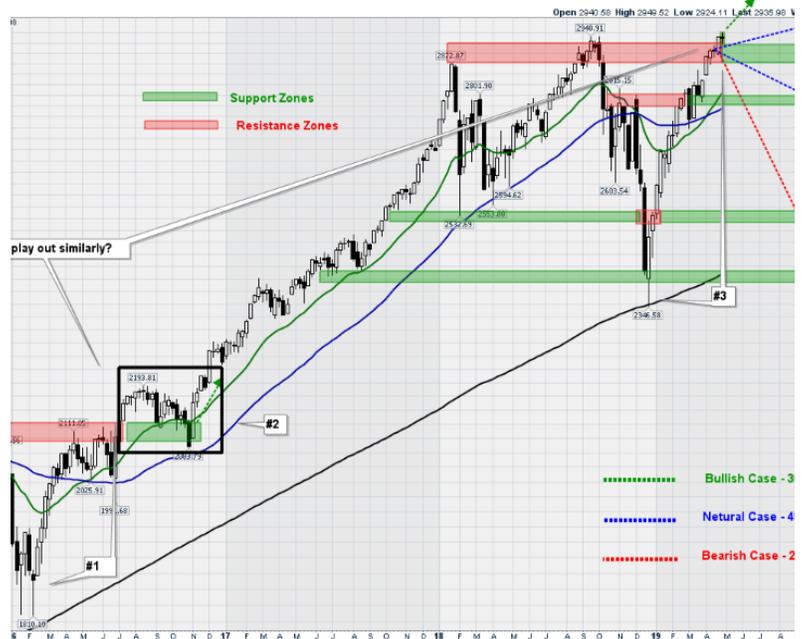


COMMENTARY

This just in! April was a great month for us nerds! Avengers Endgame was released and smashed box office records, Game of Thrones returned for the final season, the NFL Draft gave hope to all fans (except for you New York Giant fans, sorry!) and the S&P 500 made all-time highs! Say it with us, NERDS, NERDS, NERDS!

There are levels of nerdiness and for those playing at home who want to assess your nerdiness level it's easy to do. How many of the events did you watch (three score max)? How giddy did you get on Monday, April 29, 2019 when the S&P 500 traded to new all-time highs (score multiplier)? Full disclosure, my nerd level would have been a max score except that my lovely wife can't (won't) go full nerd with me and I have one-year old twins.

Since the S&P 500 made new all-time highs, where do the markets go from here? Since the lows made in December 2018 (2346.58) the market has been very strong, trading through all possible resistance levels. With the recovery as strong as we've seen, we think the market is going to need some time and/or price to digest gains. Apologies in advance for this messy looking chart, but there is a lot happening and we will get through it.



First, let's start by looking back at 2016 and callout box #1. Callout box #1 is showing the recovery after the selloff in early 2016, then trading back to all-time highs (at that time). Callout box #3 isn't exactly like #1, with #1 not as a deep of a correction as #3, but similar. Moving to callout box #2, we had the market move a little above the previous all-time highs,

ECONOMIC HIGHLIGHTS

S&P 500	2,945.83
DJIA	26,592.91
NASDAQ	8,095.39
OIL	\$63.91/barrel
GOLD	\$1,285.70/ounce
10-YEAR TREASURY YIELD	2.51%
UNEMPLOYMENT	3.08%
GDP	3.20% (Q1 advanced estimate)
CONSUMER PRICE INDEX (CPI)	+0.4% / 12 month change: +1.9%
CORE CPI	+0.1% / 12 month change: +2.0%



ISM Manufacturing Index – solid numbers (55.3) and the high end of the consensus range and above 50 (above 50 is good and below is not). 16 of the 18 industries reported growth in the month of April.



GDP – 1ST quarter 2019 estimates came in at a very strong 3.2%. Typically we see weaker numbers in Q1, but not this time around. A deeper dive into the numbers show decent consumer spending with net exports as the driving force behind GDP. This could be a one-time exception as business accelerated overseas to avoid any risk of trade talks with China.



Retail Sales – February numbers were not pretty (-0.2% M/M) and missed the low side of the consensus range (0.0% to 1.1% M/M). January numbers were revised higher, which offsets some of the weakness in February numbers.

but needed time/price to digest the gains before resuming the upward trend. Is that going to play out again (#4)? With the information we have today, this is our highest probability outcome but again, we do not know (no one does) what lies ahead. The bearish case leans to a price digestion of gains when short-term buyers turn into profit takers from their purchases in

December and January, which then drives the market lower. On the flip side, the bullish case is for no time/price digestion of gains and we see a similar market to the one we had in 2017 where the market never pulled back. This scenario did not provide buyers a chance to get in on a pullback and the fear of missing out had buyers continuing to drive the market higher. As we continue to get data points from the market and economy we'll be adjusting our outlook as needed, but equities are strong and we're riding the wave for now.

Election Watch 2020:

Can you believe the next presidential election is only 18 months away?! With that, we thought it would be beneficial to periodically provide election updates as it unfolds and how we see it's affecting market conditions. Not only is the office of the Presidency up for election, but there are 33 Senate seats and 435 House seats that will be up for election. At this point, over 20 candidates have declared their intention to run for President, TWENTY! Needless to say, a lot will need to shake out between now and November 2020 for us to know which presidential candidates will make it to Election Day, with their name on the ballot. The first major test will come on June 26 and 27 when the Democratic National Committee holds their first round of primary debates for their presidential hopefuls. That should thin the field as candidates differentiate themselves from the pack and come one step closer to becoming the Presidential nominee for the Democrat Party. Stay tuned!

MARKET TRACKER

Index	3 Mo	1 Yr	3 Yr	5 Yr
S & P 500	9.48	13.49	14.87	11.63
MSCI EAFE	6.10	-3.22	7.24	2.60
BARCAP AGG BOND	1.89	5.29	1.90	2.57

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