



THE RUDD COMPANY  
INVESTMENT MANAGEMENT AND CONSULTING

# Weekly Economic Update

Week of April 15th, 2019

## THE WEEK ON WALL STREET

Stocks broke out of a narrow range on Friday following news that two major banks grew their bottom line in the first quarter. For the week, the S&P 500 rose 0.79%; the Nasdaq Composite, 0.91%. The Dow Jones Industrial Average improved 0.50%. Turning to overseas stocks, the MSCI EAFE index declined 0.09%.

The market spent much of the week in a lull as investors waited for earnings season to begin. Wall Street is paying close attention to both guidance and profit margins.

\*Any companies mentioned are for illustrative purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame and risk tolerance.

### Weekly Tip

Life insurance is not solely for people with spouses and kids. If you are a caregiver to an ill parent, have significant debt, or simply wish to avoid having others pay for your funeral, life insurance coverage could prove very important in the event of your passing.

### Weekly Quote

“To fly we have to have resistance.”

-MAYA LIN

### Weekly Riddle

Name two English words (longer than two letters) that both begin and end with the letters “he” (in that order).

LAST WEEK’S RIDDLE: What is the timepiece with the most moving parts? (It has been around for centuries.)

ANSWER: The hourglass.

817-605-7833

1300 S UNIVERSITY DR., STE 530, FORT WORTH, TX 76107

WWW.THERUDDCOMPANY.COM RUDDCO@THERUDDCOMPANY.COM



## BIG BANKS POST SOLID RESULTS

Friday, Wells Fargo and JPMorgan Chase both reported Q1 profit growth, and JPMorgan Chase announced record revenue.

This was welcomed news. Analysts have tempered some of their expectations entering this earnings season, recognizing that slowing global growth, tariffs, and dollar strength may be affecting corporate profits. (The dollar rallied 6.2% in Q1.)

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## WHAT'S AHEAD

Note that U.S. stock and bond markets will be closed on Good Friday (April 19).

## INFLATION PICKS UP

The Consumer Price Index rose 0.4% in March, the most in 14 months. This matched the consensus forecast of economists polled by MarketWatch, who believed rising gas prices would affect the number.

Even with this March jump, annual inflation remained relatively tame at 1.9%.



Market Index	Close	Week	Y-T-D
DJIA	26,412.30	+1.17%	+13.28%
NASDAQ	7,984.16	+0.91%	+20.33%
MSCI-EAFE	1,909.60	-0.09%	+11.03%
S&P 500	2,907.41	+0.79%	+15.98%



Treasury	Close	Week	Y-T-D
10-Year Note	2.56%	+0.06%	-0.13%

Sources: The Wall Street Journal, April 12, 2019, Treasury.gov, April 12, 2019  
 The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance is measured from Monday's open of trading to Friday's close for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite. Weekly performance is measured from Friday's open to Thursday's close for MSCI-EAFE. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.