

In this week's recap: stocks move sideways as earnings season gathers momentum, and retail sales jump.



Weekly Economic Update

April 22, 2019

THE WEEK ON WALL STREET

A short and relatively placid trading week wrapped up Thursday, with the major indices turning in mixed performances. The S&P 500 retreated 0.08%, the Nasdaq Composite advanced 0.17%, and the Dow Jones Industrial Average gained 0.56%. The MSCI EAFE index, tracking foreign stocks in developed countries, added 0.65%.¹⁻⁴

Nothing really catalytic emerged to drive the market last week, and volumes were low.

EARNINGS SEASON UPDATE

More than 78% of S&P 500 firms reporting so far this earnings season have surpassed analyst expectations, according to FactSet. Since guidance tends to be conservative, there is the possibility that more companies will beat forecasts than expected.⁵

The initial public offering market remained strong. Two high-profile technology companies came public on Thursday and were met with enthusiasm from investors. As mentioned in recent weeks, 2019 could be a banner year for IPOs.

RETAIL SALES REBOUND

March's 1.6% gain was the biggest monthly advance seen since September 2017. Sales of cars and gasoline rose more than 3%.⁶

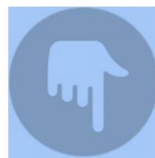
If the upcoming March consumer spending report is also impressive, concerns about the current business cycle peaking may recede.

FINAL THOUGHT

Nearly 800 companies will report earnings this week, including some high-profile names. This kicks off five weeks of active daily earnings reports.

Investors will watch corporate profits, guidance, and fundamental indicators with great interest, to try and glean whether the economy is strengthening or softening. Reports on first-quarter economic growth and existing home sales will command particular attention.

TIP OF THE WEEK



Your insurance needs should be reevaluated every few years. Life events like a marriage, a home purchase, or retirement may mean you need more (or less) coverage.

THE WEEK AHEAD: KEY ECONOMIC DATA

Monday: March existing home sales figures from the National Association of Realtors.

Tuesday: March new home sales numbers from the Census Bureau.

Friday: The first estimate of first-quarter gross domestic product (GDP) from the federal government, and the final April University of Michigan consumer sentiment index, a gauge of consumer confidence levels.

Source: Econoday / MarketWatch Calendar, April 18, 2019 The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision. The release of data may be delayed without notice for a variety of reasons.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Monday: Halliburton (HAL), Kimberly-Clark (KMB), Whirlpool (WHR)

Tuesday: Coca-Cola (KO), Harley-Davidson (HOG), Procter & Gamble (PG), Twitter (TWTR), Verizon (VZ)

Wednesday: Anthem (ANTM), Boeing (BA), Caterpillar (CAT), Facebook (FB)

Thursday: 3M (MMM), AbbVie (ABBV), Amazon (AMZN), Starbucks (SBUX)

Friday: American Airlines (AAL), Colgate-Palmolive (CL), ExxonMobil (XOM)

Source: Morningstar.com, April 18, 2019 Companies mentioned are for informational 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. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

QUOTE OF THE WEEK



“You are the only person on earth who can use your ability.”

ZIG ZIGLAR

Market Index	Close	Week	Y-T-D
DJIA	26,559.54	+0.56%	+13.86%
NASDAQ	7,998.06	+0.17%	+20.54%
MSCI-EAFE	1,928.10	+0.65%	+12.11%
S&P 500	2,905.03	-0.08%	+15.88%



	Treasury	Close	Week	Y-T-D
	10-Year Note	2.57%	+0.01%	-0.12%

Sources: The Wall Street Journal, April 18, 2019, Treasury.gov, April 18, 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 for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, April 12 to the Thursday, April 18 close. Weekly performance for the MSCI-EAFE is measured from the Friday, April 12 open to the Wednesday, April 17 close. 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.

THE WEEKLY RIDDLE



It has keys that open no locks. Yet, it lets you enter and create spaces. What is it?

LAST WEEK'S RIDDLE: Name two English words (longer than two letters) that both begin and end with the letters "he" (in that order).

ANSWER: Headache and heartache.

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CITATIONS:

1 - quotes.wsj.com/index/SPX [4/18/19]

2 - quotes.wsj.com/index/DJIA [4/18/19]

3 - quotes.wsj.com/index/COMP [4/18/19]

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6 - reuters.com/article/us-usa-economy-retail/us-retail-sales-post-biggest-gain-in-one-and-a-half-years-in-march-idUSKCN1RU1GI [4/18/19]

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