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At-A-Glance

- U.S. stocks were mixed in April with the Dow Industrials gaining 0.62%, while tech and internet losses pulled the NASDAQ Composite down 1.89%.
- Dollar weakness fueled a commodities rally, with crude oil prices surging 15.52% in April to \$45.92/bbl.
- The Bloomberg Commodities Index gained 8.5% in April, its largest monthly gain since December 2010.

Despite earnings disappointments in technology and internet stocks, the S&P 500 edged higher in April, completing its first back-to-back monthly gain since last November. April ended on a downbeat however, as the benchmark equity index lost 1.41% during the final two days of the month. It was a busy month full of corporate earnings, as well as mixed economic and investing news. Commerce officials said first quarter GDP growth slowed to 0.5%, down from a 1.4% pace during the fourth quarter, surprising economists' expectations with a smaller than forecasted increase in consumer spending. Federal Reserve policymakers held interest rates unchanged, while their policy statement conveyed a somewhat more hawkish tone. Meanwhile, contrary to expectations, Japan's central bank refrained from boosting its stimulus measures, causing the yen to surge over 5% during the last week of April.

Even with late April weakness, the S&P 500 still has the majority of gains from its 15% rally that began on February 11th. In a key milestone, the current seven-year bull market that began in March 2009 has reached a total of 2,608 days, one more than the 1950's rally that ran from June 1949 to August 1956.

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Market Monitor

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UPWARD MOBILITY -

Just 16% of college graduates who were born into families in the bottom 20% of wage earners remain in the bottom 20% of wage earners during their adult lives (source: Brookings Institute).

TAXES - 90% of

American taxpayers pay more in payroll taxes (that support Social Security, Medicare and unemployment benefits) than they pay in federal income tax (source: Peter G. Peterson Foundation).

NOT AS MANY

TODAY - In 2007 (the year before the global financial crisis began), 65% of Americans had money invested in the US stock market either through pre-tax accounts or post-tax accounts. Today (2016), just 52% of Americans have money invested in the US stock market (source: Gallup).

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Six of the ten major sector groups advanced in April, with Energy (+8.70%), Materials (+4.95%) and Financials (+3.40%) gaining the most. Technology (-5.39%) and Utilities (-2.41%) fell the most last month. On a year-to date (YTD) basis, Telecom (+14.15%), Energy (+13.07%) and Utilities (+12.77%) are up the largest amount, while Technology (-2.93%) is down the most. In April, crude oil rose the most in a year, helping energy producers post their strongest two-month rally since 2011.

Small-cap domestic stocks, as measured by the Russell 2000 Index, rose 1.57% in April, outperforming its large and mid-cap counterparts. Mid-cap stocks, as measured by the Russell Mid Cap Index, gained 1.06% last month. Value stocks widely outperformed growth in April, with the Russell 1000 Value Index returning 2.10%, while the Russell 1000 Growth Index fell 0.91%.

Internationally, the MSCI EAFE Index, a broad measure of global developed markets outside of the U.S. and Canada, outperformed domestic equities, gaining 2.90% last month. Following a double-digit March rally, the MSCI Emerging Markets Index rose just 0.54%, extending its YTD gain to 6.29%.

Treasuries, as measured by the Barclays U.S. Government Bond Index, fell 0.10% in April, trimming its YTD gain to 3.02%. Benchmark 10-year U.S. Treasuries prices declined last month, sending its yield up 6.4 basis points to end at 1.834%. The Barclays U.S. Municipal Bond Index rose 0.74% in April. U.S. investment grade corporate, government and agency-backed bonds, as measured by the Barclays U.S. Aggregate Bond Index, climbed just 0.38% last month. At the other end of the credit spectrum, the Barclays U.S. Corporate High Yield Index, a proxy for below-investment grade corporate bonds, surged 3.92% in April, extending its YTD rally to 7.40%.

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