

In this week's recap: stocks close out a great quarter, mortgage rates decline, and Wall Street awaits a wave of IPO action.



Weekly Economic Update

April 1, 2019

THE WEEK ON WALL STREET

Stocks ended last week higher as volatility slowed, completing their best quarter since 2009. A Friday tweet from Secretary of the Treasury Steven Mnuchin encouraged investors, referring to “constructive” discussions in the ongoing U.S.-China trade negotiations.¹

The S&P 500 gained 1.27% for the week. The Dow Industrials and Nasdaq Composite both exceeded that advance: the Dow rose 1.60%; the Nasdaq, 1.42%.²⁻⁴

Foreign shares went the other way. The MSCI EAFE index following international stocks retreated 0.91%.⁵

2019 COULD BE A BIG YEAR FOR IPOS

One of the ride-share pioneers, Lyft, closed on its initial public offering (IPO) on Friday, and a glance at the IPO calendar shows that as many as 226 companies could soon go public, with Uber and Airbnb possibly among them.⁶

This IPO wave may be a signal of a market top, or it may point to a comeback for risk appetite, which could be healthy for the overall market.

Should some big-name IPOs stumble, it may deter others from moving ahead, which may influence the market psychology. Conversely, an enthusiastic reception may help support further market advances.

[Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities.]

GOOD NEWS FOR THE HOUSING MARKET

The Fed's dovish tone has also influenced home loan rates. Freddie Mac's latest Primary Mortgage Market Survey shows an average interest rate of just 4.06% on a 30-year, fixed rate mortgage, compared with 4.28% a week earlier and 4.95% in December.⁷

This news is especially significant given the recent pickup in existing home sales. They jumped 11.8% in February, the biggest monthly gain in more than three years.⁸

[A 30-year, fixed rate mortgage is a conventional home loan meeting the lending requirements of Fannie Mae and Freddie Mac, but it is not a mortgage guaranteed or insured by any government agency. Private mortgage insurance, or PMI, is required for any conventional loan with less than a 20% down payment.]

TAX TIP

The federal income tax filing deadline is Monday, April 15. However, residents of Maine and Massachusetts have until Wednesday, April 17 to file their 2018 tax return. April 15 is Patriots' Day, and April 16 is Emancipation Day.⁹

TIP OF THE WEEK



Good debt (a home loan, a student loan) should be distinguished from bad debt (such as credit card debt with a high-interest rate). Strive to pay off bad debt as quickly as you can, and remember that much of it may be linked to purchases that reflect wants rather than needs.

THE WEEK AHEAD: KEY ECONOMIC DATA

Monday: February retail sales.

Wednesday: ADP's snapshot of March private sector hiring.

Friday: The Department of Labor's March jobs report.

Source: Econoday / MarketWatch Calendar, March 29, 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

Tuesday: GameStop (GME), Walgreens Boots Alliance (WBA)

Thursday: Constellation Brands (STZ)

Source: Morningstar.com, March 29, 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



“No pessimist ever discovered the secrets of the stars, or sailed to uncharted land, or opened a new doorway for the human spirit.”

HELEN KELLER

Market Index	Close	Week	Y-T-D
DJIA	25,928.68	+1.60%	+11.15%
NASDAQ	7,729.32	+1.42%	+16.49%
MSCI-EAFE	1,865.86	-0.91%	+8.49%
S&P 500	2,834.40	+1.27%	+13.07%



	Treasury	Close	Week	Y-T-D
	10-Year Note	2.41%	-0.03%	-0.28%

Sources: The Wall Street Journal, Mar. 29, 2019, Treasury.gov, Mar. 29, 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.

THE WEEKLY RIDDLE



What is the only planet within our solar system that rotates clockwise?

LAST WEEK'S RIDDLE: Determine the numeral between 1 and 100 that is also nine times the sum of its digits.

ANSWER: 81. $8 + 1 = 9$, $9 \times 9 = 81$.

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