

Open-End Net Fund Flows (\$)	3/19	2/19	YTD (Mar)
Equity	-24.66B	-12.58B	-27.77B
Taxable Bond	21.17B	25.01B	52.70B
Municipal Bond	7.72B	10.89B	26.51B
Hybrid	-6.09B	-2.64B	-9.72B
Taxable Money Market	-14.97B	43.71B	38.01B

Key Interest Rates	4/30/19	12/31/18	4/30/18
Federal Funds Target Rate	2.50%	2.50%	1.75%
ICE LIBOR (3-Month)	2.58%	2.81%	2.36%
2-Year T-Note	2.27%	2.49%	2.49%
10-Year T-Note	2.50%	2.69%	2.95%
Bond Buyer 40	3.82%	4.09%	4.05%

Commodities/U.S. Dollar	4/19	YTD	12 Mo.
U.S. Dollar Index (DXY)	0.21%	1.36%	6.14%
TR/CC CRB Commodity Index	0.27%	8.51%	-8.78%
Crude Oil/WTI (per Barrel)	6.27%	40.74%	-6.80%
Natural Gas (per million BTUs)	-3.01%	-12.24%	-6.52%
Gold Bullion (Ounce)	-0.56%	0.34%	-2.54%

Total Return Performance

U.S. Stock Indices	4/19	YTD	12 Mo.
S&P 500	4.05%	18.25%	13.48%
DJIA	2.66%	14.79%	12.57%
NASDAQ 100	5.50%	23.32%	19.10%
S&P MidCap 400	4.02%	19.09%	6.98%
Russell 2000	3.40%	18.46%	4.57%
Russell 3000	3.99%	18.60%	12.66%

U.S. Styles/Market Caps	4/19	YTD	12 Mo.
S&P 500 Growth	3.98%	19.53%	16.93%
S&P 500 Value	4.12%	16.82%	9.73%
S&P MidCap 400 Growth	3.32%	18.77%	6.24%
S&P MidCap 400 Value	4.76%	19.46%	7.81%
Russell 2000 Growth	3.05%	20.69%	6.86%
Russell 2000 Value	3.78%	16.15%	2.16%

Foreign Stock Indices (USD)	4/19	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	2.83%	13.58%	-2.63%
MSCI Emerging Markets NET	2.11%	12.23%	-5.04%
MSCI Europe NET	3.58%	14.80%	-2.97%
MSCI BRIC NET	1.65%	15.86%	-1.38%
MSCI EM Latin America NET	0.43%	8.31%	-5.12%
Nikkei 225	4.20%	11.11%	-1.13%

Barclays Bond Indices	4/19	YTD	12 Mo.
U.S. Treasury: Intermediate	0.04%	1.63%	4.45%
GNMA 30 Year	-0.09%	2.00%	4.81%
Municipal Bond (22+)	0.82%	4.70%	7.41%
U.S. Aggregate	0.03%	2.97%	5.29%
Intermediate Corporate	0.48%	4.32%	6.14%
U.S. Corporate High Yield	1.42%	8.78%	6.74%
Global Aggregate	-0.30%	1.90%	0.94%
EM Hard Currency Aggregate	0.36%	5.30%	4.36%

Sources: Bloomberg, Barclays, Investment Company Institute

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index.

Climate

It has been risk-on for investors so far in 2019, a major reversal from their risk-off posture in Q4'18. One of the niches of the market that we monitor closely when gauging investors' appetite for risk is the high yield corporate bond market. We monitor fund flows to the category, performance of a benchmark index and the industry's default rate. In Q1'19 (most recent data available), estimated net inflows to U.S. High Yield Bond mutual funds and exchange-traded funds totaled \$14.7 billion, according to Morningstar. Year-to-date through 4/30/19, the Bloomberg Barclays U.S. Corporate High Yield Index posted a total return of 8.78%, according to Bloomberg Barclays. Moody's reported that its global speculative-grade default rate stood at 1.9% in March (most recent data available), the lowest level since October 2011, according to its own release. It sees the default rate falling to 1.5% in March 2020.

Stock Market

The S&P 500 Index ("index") closed at an all-time high of 2,945.83 on 4/30/19, according to Bloomberg. The index posted a total return of 4.05% in April. Nine of the 11 major sectors that comprise the index were up on a total return basis. The top-performer was Financials, up 9.00%, while the worst showing came from Health Care, down 2.63%. Year-to-date through April, the index posted a total return of 18.25%. All 11 major sectors were up on a total return basis. The top-performer was Information Technology, up 27.57%, while the worst showing came from Health Care, up 3.79%. Health Care has been battling some headwinds tied to structural proposals, such as "Medicare for All," coming from a number of the 2020 presidential candidates in the Democratic party. Since 1980, when the S&P 500 Index has appreciated 10% or more in the January-April period, the S&P 500, Dow Jones Industrial Average (DJIA) and the NASDAQ Composite Indices have finished the year higher eight out of nine times, according to CNBC. In those nine instances, the average gains posted over the final eight months were as follows: +6.44% (S&P 500); +5.17% (DJIA); and +4.87% (NASDAQ Composite).

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 4/30/19 at 2.50%, up 9 basis points (bps) from its 2.41% close on 3/29/19, according to Bloomberg. The yield matched its 2.50% average for the 10-year period ended 4/30/19. All of the major bond categories are in positive territory through the first four months of 2019 (see table featuring Barclays Bond Indices). Fixed income investors continue to benefit from the low rate of inflation in the current climate, despite strong U.S. job growth and a much better-than-expected 3.2% annualized real GDP growth rate in Q1'19 (Bloomberg's survey of top economists produced a consensus estimate of 2.3%). When you hear the pundits and the financial media say that there is no inflation what they are inferring is that inflation is subdued and not a perceived threat to the markets or economy. The U.S. Consumer Price Index (CPI) stood at 1.9% (year-over-year) in March 2019 (most recent data available), according to the Bureau of Labor Statistics (BLS). BLS data on the CPI dates back to January 1914. From 1/31/1914-3/31/2019, the CPI has averaged 3.2%, well above its current 1.9% mark. There isn't much inflation in other advanced economies either. The International Monetary Fund's most recent (April 2019) estimates put the year-over-year change in 2019 consumer prices at 1.6% for Advanced Economies and 1.3% for the Euro Area. The combination of low economic growth and low inflation in Europe has helped keep bond yields in negative territory for some time. Deutsche Bank just reported that negative yielding notes and bonds in Europe currently total more than \$10 trillion, the highest amount in roughly three years and nearly half of the total deficit amassed by the U.S., according to 24/7 Wall St.

Takeaway

For the 37th time since the start of 1950, the S&P 500 Index has fully recouped the losses it sustained during a correction (10.00% to 19.99% decline in price from the previous peak), according to The Motley Fool. The S&P 500 Index plunged 19.78% from its all-time closing high of 2,930.75 on 9/20/18 to 2,351.10 on 12/24/18 (95 calendar days). It closed at 2,933.68 on 4/23/19. Since 1950, the S&P 500 Index has endured a correction, on average, every 1.89 years. Twenty-three of the 37 corrections lasted 104 or fewer calendar days. For those investors who subscribe to a buy and hold philosophy, this data vindicates your strategy, in our opinion.

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	2945.83	4/30/2019	872.81	4/30/2009	2945.83	0.00%	18.25%	1.88%
S&P 500 Growth	1798.62	4/30/2019	455.27	4/30/2009	1798.62	0.00%	19.53%	1.41%
S&P 500 Value	1195.51	1/26/2018	411.21	4/30/2009	1158.71	-3.08%	16.82%	2.41%
S&P MidCap 400	2050.23	8/29/2018	542.71	5/13/2009	1970.74	-3.88%	19.09%	1.64%
S&P MidCap 400 Growth	962.51	9/14/2018	235.37	5/13/2009	917.57	-4.67%	18.77%	1.35%
S&P MidCap 400 Value	680.56	8/29/2018	196.64	5/13/2009	657.28	-3.42%	19.46%	1.94%
S&P 100	1307.07	4/29/2019	406.00	4/30/2009	1305.20	-0.14%	17.98%	1.96%
DJIA	26828.39	10/3/2018	8146.52	7/10/2009	26592.91	-0.88%	14.79%	2.16%
NASDAQ 100	7839.04	4/29/2019	1339.83	5/13/2009	7781.46	-0.73%	23.32%	1.00%
Russell 2000	1740.75	8/31/2018	471.82	5/13/2009	1591.21	-8.59%	18.46%	1.44%
Russell 2000 Growth	1117.18	8/31/2018	256.89	5/13/2009	1027.14	-8.06%	20.69%	0.71%
Russell 2000 Value	2049.42	8/22/2018	650.88	7/9/2009	1857.22	-9.38%	16.15%	2.23%
Russell 3000	1737.97	9/20/2018	508.91	4/30/2009	1735.60	-0.14%	18.60%	1.88%
MSCI World Net (ex U.S.) (USD)	6487.64	1/25/2018	2807.59	4/30/2009	5957.38	-8.17%	13.58%	3.46%
MSCI Emerging Markets Net (USD)	573.23	1/26/2018	242.50	4/30/2009	499.97	-12.78%	12.23%	2.70%
Ibovespa/Brazil (USD)	43619.40	4/8/2011	9077.09	1/21/2016	24424.16	-44.01%	7.67%	3.05%
RTS/Russia (USD)	2123.56	4/8/2011	628.41	1/20/2016	1248.39	-41.21%	17.15%	5.58%
S&P BSE 500/India (USD)	245.12	1/24/2018	86.37	5/11/2009	219.76	-10.34%	5.58%	1.22%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	457.08	-45.07%	26.11%	2.17%
KOSPI/South Korea (USD)	2.42	1/29/2018	1.05	7/13/2009	1.89	-21.94%	3.54%	2.14%
Hang Seng (USD)	4241.01	1/26/2018	2002.68	4/30/2009	3785.54	-10.74%	15.18%	3.31%
MSCI Euro (USD)	1544.35	1/26/2018	814.62	6/1/2012	1336.33	-13.47%	15.60%	3.52%
S&P 500 Consumer Discretionary	957.39	4/26/2019	171.91	7/7/2009	952.14	-0.55%	22.33%	1.21%
S&P 500 Consumer Staples	605.24	1/26/2018	225.41	4/30/2009	593.64	-1.92%	14.83%	2.86%
S&P 500 Energy	737.09	6/23/2014	347.64	7/10/2009	489.38	-33.61%	16.51%	3.29%
S&P 500 Utilities	299.08	3/26/2019	129.55	5/21/2009	297.75	-0.45%	11.87%	3.22%
S&P 500 Financials	501.29	1/26/2018	142.96	5/1/2009	464.95	-7.25%	18.34%	1.96%
S&P 500 Banks	372.05	2/1/2018	94.87	5/1/2009	332.98	-10.50%	20.77%	2.57%
FTSE NAREIT All Equity REITs	738.62	4/12/2019	222.64	7/10/2009	727.15	-1.55%	16.90%	3.85%
S&P 500 Health Care	1107.28	10/1/2018	280.16	5/1/2009	1033.35	-6.68%	3.79%	1.73%
S&P 500 Pharmaceuticals	723.95	11/30/2018	234.63	4/30/2009	683.02	-5.65%	3.19%	2.59%
NYSE Arca Biotechnology	5400.34	9/27/2018	614.98	5/13/2009	4712.67	-12.73%	11.72%	0.33%
S&P 500 Information Technology	1383.92	4/23/2019	258.74	5/13/2009	1381.76	-0.16%	27.57%	1.39%
Philadelphia Semiconductor	1589.02	4/24/2019	236.80	5/13/2009	1556.18	-2.07%	35.37%	1.68%
S&P 500 Telecom Services	183.85	7/1/2016	97.80	7/10/2009	167.49	-8.90%	21.42%	1.37%
S&P 500 Industrials	678.74	1/26/2018	179.44	7/8/2009	657.97	-3.06%	22.02%	1.91%
S&P 500 Materials	401.59	1/26/2018	145.12	7/8/2009	359.84	-10.40%	14.31%	2.19%
Philadelphia Gold & Silver	228.95	4/8/2011	38.84	1/19/2016	71.16	-68.92%	1.18%	1.12%
TR/CC CRB Commodity	370.56	4/29/2011	155.01	2/11/2016	184.25	-50.28%	8.51%	N/A
ICE BofAML Perpetual Preferred	268.83	4/30/2019	92.18	4/30/2009	268.83	0.00%	9.62%	5.65%
ICE BofAML U.S. High Yield Constrained	444.54	4/30/2019	168.58	4/30/2009	444.54	0.00%	8.90%	6.52%

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