

Market Review

April 30, 2018

INDEX LEVELS

		Month-End 04/30/18	Month-End 02/28/18	Year End 12/31/17
Domestic Stocks	DJ Industrial Avg.	24163	24033	24719
	S&P 500	2648	2614	2674
	NASDAQ	7066	6941	6903
	Russell 2000®	1542	1512	1536
Int'l Stocks	MSCI EAFE	2044	2005	2051
	MSCI Emerg. Mkt.	1164	1169	1158

INTEREST RATES

	Month-End 04/30/18	Month-End 02/28/18	Year End 12/31/17
Fed Funds Rate Target	1.50 -1.75	1.50-1.75	1.25-1.50
10-Yr Treasury	2.936	2.784	2.409
DJ Corporate	3.85	3.733	3.116
3-Month LIBOR	2.36	2.32	1.69
30-Yr Fix Mortgage	4.56	4.41	3.92
Prime Rate	4.75	4.75	4.5

COMMODITY PRICES

	Month-End 04/30/18	Month-End 02/28/18	Year End 12/31/17
Gold	1316	1332	1306
Crude Oil	68.57	63.51	60.42
Gasoline	2.81	2.66	2.49
Natural Gas	2.763	2.697	2.953

EQUITY STYLE RETURN

	MTD	Val	Core	Grw	YTD	Val	Core	Grw
Large		0.33	0.34	0.35	Large	-2.51	-0.35	1.77
Mid		0.50	-0.15	-0.94	Mid	-2.02	-0.61	1.21
Small		1.73	0.86	0.10	Small	-0.95	0.78	2.40

NEWS

- What is Investment Risk? Should we be more concerned with the geopolitical issues of today or the VIX spiking above 20? While it is well documented over the 20th century that geopolitical conflicts are the biggest risks, investors inability to project the chances of conflict have caused them to focus on proxies such as the VIX for risk, generally. Is this a mistake as this approach has limitations?
- Despite yields declining for the last three trading days of the month, overall rates were higher closing the month at 2.936% which resulted in producing a total return of -1.57%. (Yields move inversely to prices). Pressure on yields occurred after the release of the measure for personal income rose 0.3% vs an expectation of 0.4% which may be indicating that gains in income aren't in line with spending.



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ECONOMY

- With the return of volatility to the market, only three of eleven S&P 500 sectors have been able to hold onto positive returns year to date: Consumer Discretionary, Information Technology & Energy.
- The U.S. dollar strengthened at the end of the month after the Commerce Department said year-over-year inflation hit the Federal Reserve's 2% target for the first time in over a year for March. The increased inflation pressure will cause additional speculation on the number of rate hikes this year.
- Foreign investors demand for U.S. debt is not keeping pace with the growth of U.S. debt causing concern that bond yields could be pushed higher and eventually threaten to slow economic growth. Currently our budget deficit is forecasted to surpass \$1 trillion by 2020 and participation by Non-U.S. investors is crucial for the ability of the U.S. to fund itself.

TOTAL RETURN

	Month to Date	Year to Date	1-Year	
EQUITIES	Russell 3000® (<i>Broad US</i>)	0.38%	-0.27%	13.05%
	S&P 500 (<i>Large Cap US</i>)	0.38%	-0.38%	13.27%
	ACWI ex-US (<i>Broad Int'l</i>)	1.68%	0.58%	16.45%
	MSCI EAFE (<i>Devlpd. Int'l</i>)	2.39%	0.94%	15.07%
	MSCI Emerging Markets	-0.42%	1.04%	22.14%
FIXED INCOME	BC Aggregate Bond	-0.74%	-2.19%	-0.32%
	BC US Universal	-0.67%	-2.06%	0.01%
	B of A ML 3-Month T-Bills	0.16%	0.51%	1.16%
	BC Treasury	-0.81%	-1.98%	-1.07%
	BC US Corp. High Yield	0.65%	-0.21%	3.26%
OTHER	Citi World Govt. ex-US	-2.44%	1.88%	8.42%
	NAREIT Cmp (<i>RealEstate</i>)	0.52%	-6.02%	-0.89%
	Bloomberg Commodity Trust	2.58%	2.17%	8.02%

S&P SECTOR YEAR-TO-DATE

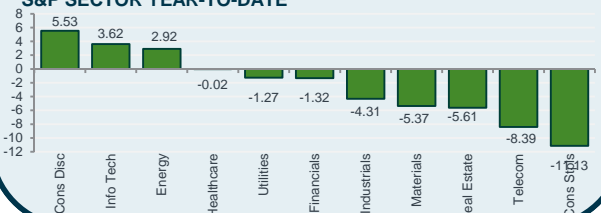
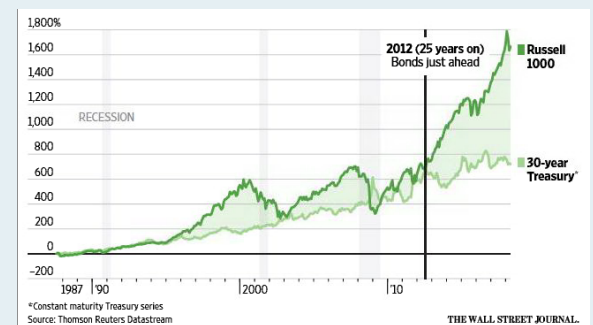


CHART OF THE MONTH

Going Long: 30 Year Treasury's beat US over 25 years from the 1987 peak, into total return.



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