

In this week's recap: stocks come all the way back from their December lows, Q1 growth surpasses expectations, and earnings take center stage.

Weekly Economic Update

Presented by RTN Financial & Retirement Group, April 29, 2019

THE WEEK ON WALL STREET

Stocks returned to record territory, with both the S&P 500 and the Nasdaq Composite closing at historic highs. The S&P gained 1.20% for the week; the Nasdaq, 1.85%. The Dow Jones Industrial Average lagged, losing 0.06%. The MSCI EAFE index of international stocks lost 0.52%.¹⁻²

The S&P took only 17 weeks to fully rebound from its December low.³

A SHIFT IN FOCUS

Last month, Wall Street fixated on trade, reacting to even the slightest hint of progress in U.S.-China negotiations. This month, the trade talks have taken a back seat, and the fixation is on earnings.

Anxieties about a possible earnings recession may be fading. So far, first-quarter results for S&P 500 firms are 5.3% above expectations, which compares to a 5-year average of 4.8%.⁴

At some point, trade talk will come back, or other developments will lead Wall Street to chase other trends. The thing to remember is that Wall Street is fickle: what preoccupies it one week may be shrugged off the next. Short-term trends ultimately amount to background noise during the long-term pursuit of your financial goals.

A STRONG FIRST QUARTER

Friday, the Bureau of Economic Analysis said that the economy expanded at a 3.2% pace in Q1. The number surprised to the upside. Economists surveyed by Dow Jones estimated Q1 gross domestic product would increase 2.5%.⁵

WHAT'S AHEAD

Investors have all kinds of news to consider this week. There will be a plethora of earnings calls, plus important reports on consumer spending and hiring. Also, Federal Reserve chair Jerome Powell will hold a press conference following the central bank's May meeting.

TIP OF THE WEEK



*Too many business owners apply for loans **too late**. Financing is more likely to be approved when a business is **financially stable**. A loan arranged when a business is **healthy** could be used for business expansion as well as emergencies.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Monday: March personal spending figures from the Department of Commerce.

Tuesday: The Conference Board's April consumer confidence index.

Wednesday: The Federal Reserve announces its latest interest rate decision.

Friday: The April jobs report from the Department of Labor.

Source: Econoday / MarketWatch Calendar, April 26, 2019

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THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Monday: Alphabet (GOOGL), Kemper (KMPR)

Tuesday: Amgen (AMGN), Apple (AAPL), Cummins (CMI), McDonalds (MCD)

Wednesday: Allstate (ALL), CVS Health (CVS), Humana (HUM), Public Storage (PSA)

Thursday: CBS (CBS), Cigna (CI), Dunkin' Brands (DNKN), Gilead Sciences (GILD)

Friday: Fiat Chrysler (FCAU)

Source: Morningstar.com, April 26, 2019

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QUOTE OF THE WEEK



*“You can only perceive **real beauty** in a person as they get older.”*

ANOUK AIMEE

Market Index	Close	Week	Y-T-D
DJIA	26,543.33	-0.06%	+13.79%
NASDAQ	8,146.40	+1.85%	+22.77%
MSCI-EAFE	1,910.87	-0.52%	+11.10%
S&P 500	2,939.88	+1.20%	+17.27%



	Treasury	Close	Week	Y-T-D
	10-Year Note	2.51%	-0.06%	-0.18%

Sources: The Wall Street Journal, April 26, 2019, Treasury.gov, April 26, 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 Thursday, April 18 to the Friday, April 26 close (Friday, April 19 was Good Friday, a stock market holiday). Weekly performance for the MSCI-EAFE is measured from the Friday, April 19 open to the Thursday, April 25 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 walks on four legs in the morning, two legs at noon, and three legs in the evening. What is it?

LAST WEEK'S RIDDLE: It has keys that open no locks. Yet, it lets you enter and create spaces. What is it?

ANSWER: A keyboard.



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CITATIONS:

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2 - quotes.wsj.com/index/XX/990300/historical-prices [4/26/19]

3 - bloomberg.com/news/articles/2019-04-23/abyss-averted-in-stocks-as-valuations-and-rates-restore-bull-run [4/23/19]

4 - insight.factset.com/earnings-season-update-april-26-2019 [4/26/19]

5 - cnbc.com/2019/04/26/gdp-q1-2019-first-read.html [4/26/19]

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