

April 18, 2019

Solid macroeconomic data, strong earnings, and two tech IPOs led domestic equities higher. Zoom Video Communications and Pinterest closed their first day of trading up 72% and 24% off of their respective IPO prices. At the close all major averages advanced with the S&P 500 ([SPY 0.20%](#)) and Nasdaq 100 ([QQQ 0.13%](#)) rising modestly and the Dow ([DIA 0.39%](#)) leading the way.

With U.S. markets closed tomorrow, it was a busy day on the macroeconomic front. After setting a multi-decade low last week, weekly jobless claims went even lower marking a new 50-year low (192K claims). Retail sales data came in better than expected showing the best M/M rise in over 18 months. These are positive signs for the U.S. labor and consumer markets; however, flash PMI showed some weakness with declines at the composite, manufacturing (albeit marginal), and services levels. Similar to yesterday's wholesale inventories, business inventories-to-sales ratio held steady and for the first time in months, the Conference Board leading indicators ticked higher.

Earnings & Movers: The start to earnings season has been better than fared for U.S. companies. Today Traveler's ([TRV 2.25%](#)), Honeywell ([HON 3.79%](#)), Union Pacific ([UNP 4.36%](#)), and American Express ([AXP 1.71%](#)) all beat earnings and for the week, ~80% of S&P 500 companies came in above earnings estimates. The majority of which came from Financials and Industrials.

Pinterest and Zoom Video Communications shares soared after their respective IPOs today, but they weren't the only companies to benefit. A small Chinese company, Zoom Technologies was up nearly 108% at one point this morning as investors bought shares likely thinking it was for the new IPO. The [shares were trading at less than a penny one month ago](#), and hit \$5.50 today.....free lunches (or fortunes) apparently do exist.

Large-caps ([IVV 0.22%](#)) led small-caps ([IJR -0.35%](#)) and 9 of 11 sectors gained. Industrials ([XLI 1.15%](#)) provided leadership while Energy ([XLE -0.47%](#)) and Financials ([XLF -0.29%](#)) lagged.

Subscribers make sure to check out Monday's Sector Playbook as we will be exploring some major developments in terms of recent dispersion and what that means for short-term positioning/timing.

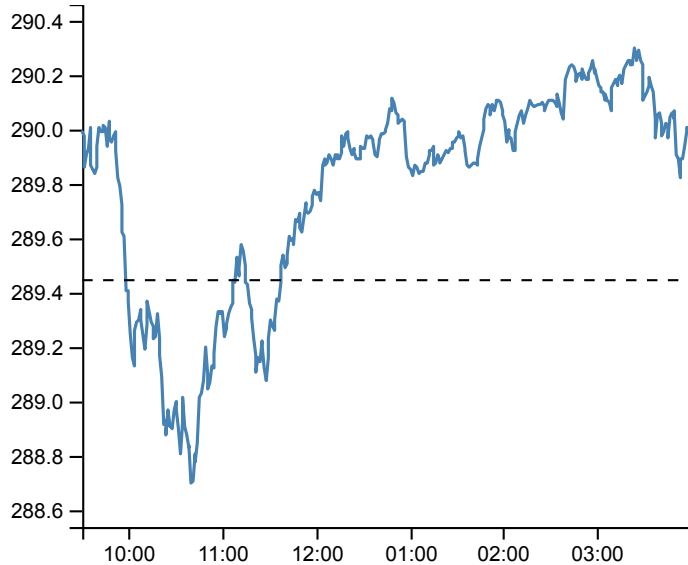
Developed ex-U.S. ([EFA -0.06%](#)) and Emerging markets ([EEM -0.07%](#)) traded close to flat while global region ETFs were mixed. Brazil ([EWZ 1.02%](#)) boosted Latin America ([ILF 0.87%](#)) to close out a choppy week of trading. Europe ([IEV -0.20%](#)) was down along with Germany ([EWG -0.18%](#)) and France ([EWQ -0.26%](#)) after once again posting weak PMI data.

Treasury yields declined with the 10-year settling at 2.56%. The Agg ([AGG 0.13%](#)) rose modestly while long duration ([TLT 0.52%](#)) outgained short ([SHY 0.02%](#)). Meanwhile on the credit side, High Yield ([HYG 0.05%](#)) and Investment Grade ([LQD 0.08%](#)) both made small gains.

The Dollar ([UUP 0.54%](#)) advanced as broad commodities ([DJP 0.13%](#)) were led higher by Agriculture ([DBA 0.66%](#)) and Energy ([DBE 0.07%](#)). WTI crude ([USO 0.30%](#)) moved upwards on a decline in U.S. rigs (-10).

Next week is a big one: The heart of the U.S. earnings season is here. 36% of the S&P 500 reports next week highlighted by Microsoft, Amazon, Facebook, Exxon, Visa, Intel, Boeing, and Coca-Cola to name a few. In addition, housing, durable goods, and GDP are the focus of macroeconomic releases. We'll see if better than expected earnings help U.S. equities steer clear of an earnings recession and if strong labor and consumer data equate to a better than expected GDP figure. Stay tuned and enjoy the long weekend.

S&P 500 (SPY) - Intraday



Broad Markets

		Daily Return	1 Wk Return	YTD Return	1 YR Return	52 Wk Low	50 DMA	200 DMA	52 Wk High
S&P 500	SPY	0.20%	0.63%	16.54%	9.81%	\$234.34			\$293.58
Dow Jones Ind Avg	DIA	0.39%	1.59%	14.41%	9.77%	\$218.1			\$267.95
Nasdaq 100	QQQ	0.13%	1.27%	21.69%	14.51%	\$143.5			\$187.39
Developed Ex-US	EFA	-0.06%	1.05%	13.42%	-3.73%	\$56.89			\$71.9
Emerging Markets	EEM	-0.07%	1.18%	14.08%	-5.07%	\$38.0			\$47.86
US Fixed Income	AGG	0.13%	-0.27%	2.09%	4.33%	\$104.01			\$109.08

U.S. Size/Style		Daily %	YTD %
Large Cap Value	IVE	0.08%	15.79%
Large Cap Blend	IVV	0.22%	16.50%
Large Cap Growth	IVW	0.27%	17.07%
Mid Cap Value	IJK	0.44%	17.01%
Mid Cap Blend	IJH	0.19%	17.92%
Mid Cap Growth	IJJ	0.06%	18.74%
Small Cap Value	IJS	-0.32%	16.60%
Small Cap Blend	IJR	-0.35%	14.43%
Small Cap Growth	IJT	-0.29%	12.17%

Fixed Income		Daily %	YTD %
US Core Fixed Income	AGG	0.13%	2.09%
US Government Bonds	GOVT	0.18%	1.20%
US TIPS	TIP	0.28%	2.88%
Investment Grade Corp	LQD	0.08%	5.74%
High Yield Corp	HYG	0.05%	7.82%
Municipal Bonds	MUB	0.06%	2.12%
Mortgage Backed	MBB	0.02%	1.55%
Preferreds	PFF	-0.19%	7.82%
Emerging Mkt Debt	EMB	0.08%	6.25%

Rates*	Today	1 Wk Ago
2 Year US Treasury Yield	2.38%	2.32%
10 Year US Treasury Yield	2.56%	2.46%
30 Year US Treasury Yield	2.96%	2.89%
Aaa to 10 Yr Spread	1.16%	1.19%
Baa to 10 Yr Spread	2.16%	2.23%

*Spreads are provided on 1 day lag

U.S. Sectors		Daily %	YTD %
Financials	XLF	-0.29%	15.34%
Consumer Disc.	XLY	-0.03%	20.84%
Industrials	XLI	1.15%	22.25%
Real Estate	XLRE	0.79%	15.27%
Technology	XLK	0.28%	25.93%
Materials	XLB	0.12%	14.92%
Energy	XLE	-0.47%	18.05%
Comm Services	XLC	0.06%	19.27%
Health Care	XLV	0.16%	-0.29%
Cons. Staples	XLP	0.09%	12.58%
Utilities	XLU	0.05%	9.07%

U.S. Industries		Daily %	YTD %
Top 3			
Health Care Services	XHS	1.35%	-2.50%
Aerospace & Defense	XAR	0.74%	19.94%
Homebuilders	XHB	0.49%	26.61%
Bottom 3			
Oil & Gas Equipment & Services	XES	-1.23%	33.84%
Regional Banking	KRE	-1.24%	16.56%
Metals & Mining	XME	-1.84%	12.49%

Themes		Daily %	YTD %
Top 3			
Water	PHO	1.06%	21.62%
US Infrastructure	PAVE	0.80%	22.60%
Smart Grid	GRID	0.37%	19.19%
Bottom 3			
Lithium & Battery Tech	LIT	-1.16%	7.71%
3D Printing	PRNT	-1.23%	15.43%
Mobile Payments	IPAY	-1.40%	22.95%

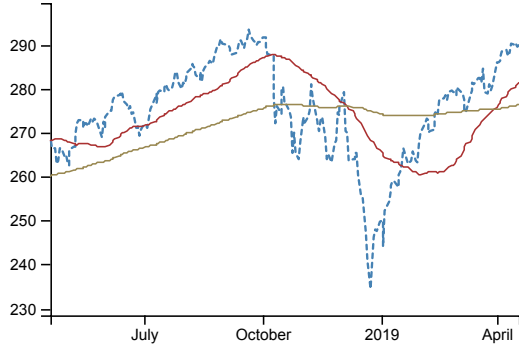
Regions		Daily %	YTD %
U.S.	SPY	0.20%	16.54%
Latin America	ILF	0.87%	9.31%
Europe	VGK	-0.27%	14.92%
Developed Asia	IPAC	0.09%	11.36%
Emerging Asia	EEMA	-0.31%	14.96%
Africa	AFK	0.20%	14.70%
Middle East	GULF	1.17%	13.29%

Countries		Daily %	YTD %
Top 3			
Egypt	EGPT	2.39%	18.20%
United Arab Emirates	UAE	1.04%	13.07%
Brazil	EWZ	1.02%	5.92%
Bottom 3			
South Korea	EWY	-1.57%	7.53%
Argentina	ARGT	-2.02%	15.93%
Turkey	TUR	-2.19%	-1.67%

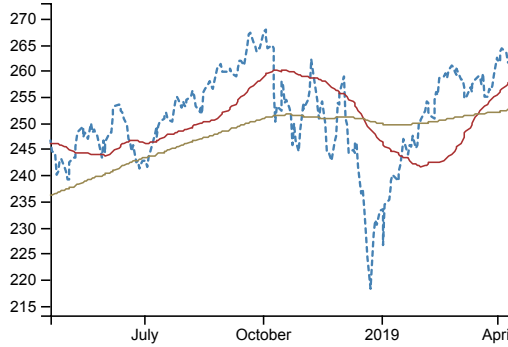
Commodities		Daily %	YTD %
Broad-based	DJP	0.13%	7.82%
Energy	DBE	0.06%	23.15%
Precious Metals	DBP	0.03%	-1.79%
Industrial Metals	DBB	-0.18%	8.32%
Agriculture	DBA	0.66%	-1.24%
US Dollar	UUP	0.54%	2.67%

1 Year Price Charts

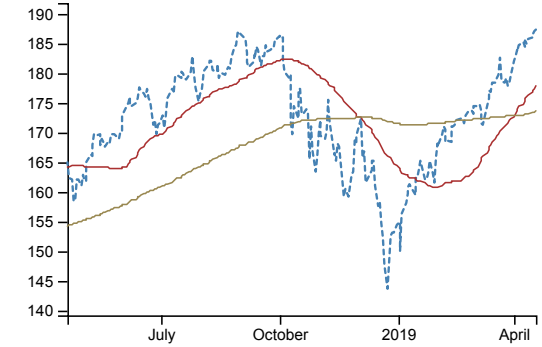
SPY - S&P 500



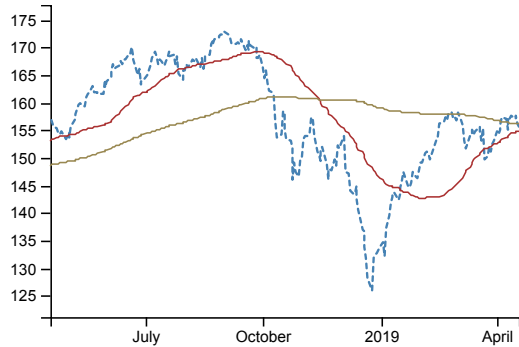
DIA - Dow Jones Ind Avg



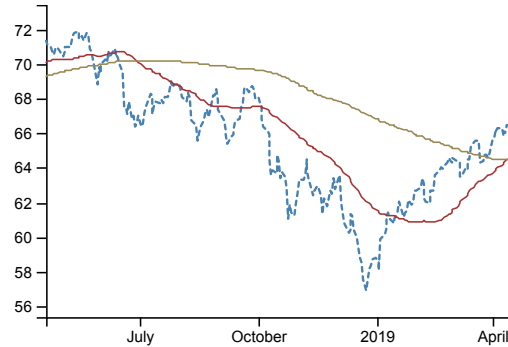
QQQ - Nasdaq 100



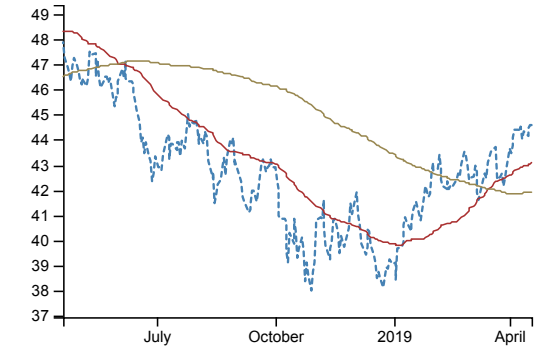
IWM - Russell 2000



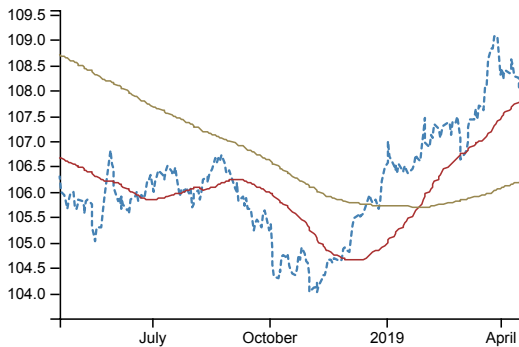
EFA - Developed Ex-U.S.



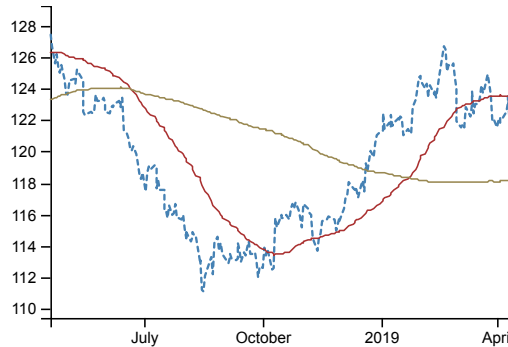
EEM - Emerging Markets



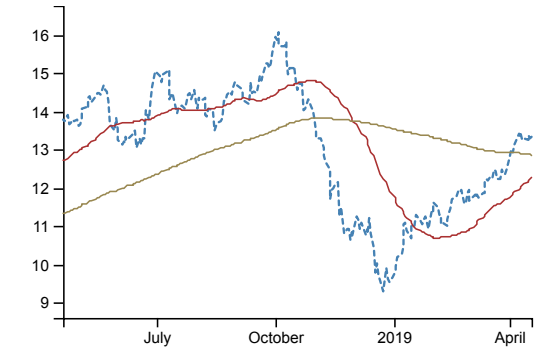
AGG - U.S. Agg Bond



GLD - Gold



USO - WTI Crude Oil



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