

Monthly Summary

A strong earnings season, with many companies beating forecasts, powered the stock market higher in April. The energy sector posted double-digit sales and profit growth. International companies, which have experienced the sharpest increase in earnings expectations, continued to outperform U.S. companies. While political risks are elevated, investors were placated by U.S. policy developments and indications that the upcoming European elections would back centrist candidates. Growth stocks remain favored over value stocks, but small and large companies posted similar results. Buoyed by a decline in interest rates and credit spreads, bond markets added to first quarter gains. Rising demand drove many commodities such as gold higher, but a build-up in inventories weighed on energy prices.

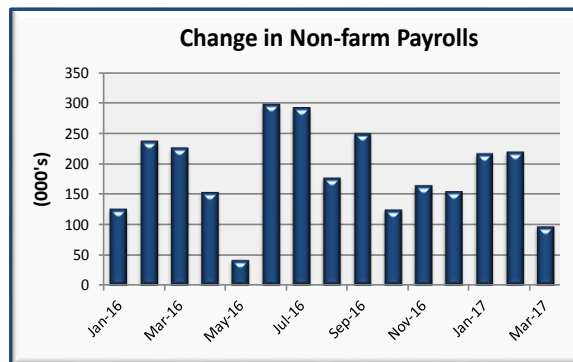
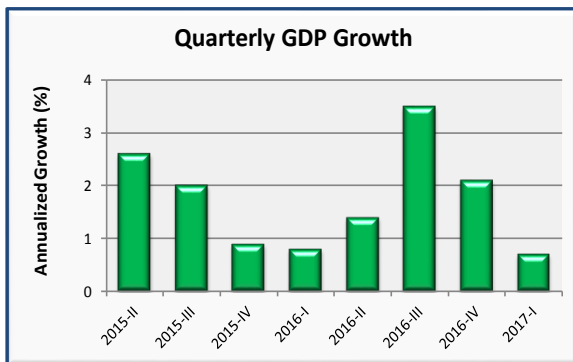
The economic picture is more mixed. First quarter U.S. GDP growth was the slowest in three years as a pick-up in investment spending and global trade was offset by weak consumer spending. Despite high confidence levels and a strong labor market, retail sales growth has slumped, particularly on big ticket items like cars and appliances. Both consumers and businesses are borrowing less. Inflation in the U.S. and Europe has once again fallen and the major central banks held steady during the month, making no significant policy changes.

Economic Data

<u>General</u>	<u>Prior</u>	<u>Current</u>
GDP growth	2.1% (Q4)	0.7% (Q1)
Trade balance	-\$48.2B (Jan)	-\$43.6B (Feb)

<u>Employment</u>	<u>Prior</u>	<u>Current</u>
Initial jobless claims	243,000 (4/15)	257,000 (4/22)
Continuing claims	2.0MM (4/08)	2.0MM (4/15)
Change in nonfarm payrolls	219,000 (Feb)	98,000 (Mar)
Unemployment rate	4.7% (Feb)	4.5% (Mar)
Average weekly hours	34.3 (Feb)	34.3 (Mar)

<u>Consumer</u>	<u>Prior</u>	<u>Current</u>
Consumer confidence index (Conf. Board)	124.9 (Mar)	120.3 (Apr)
Retail sales growth	-0.3% (Feb)	-0.2% (Mar)
Change in consumer credit	\$10.9B (Jan)	\$15.2B (Feb)



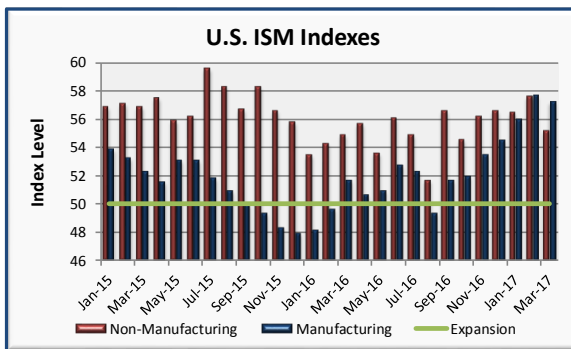
Data Source: U.S. Bureau of Economic Analysis

Data Source: U.S. Bureau of Labor Statistics

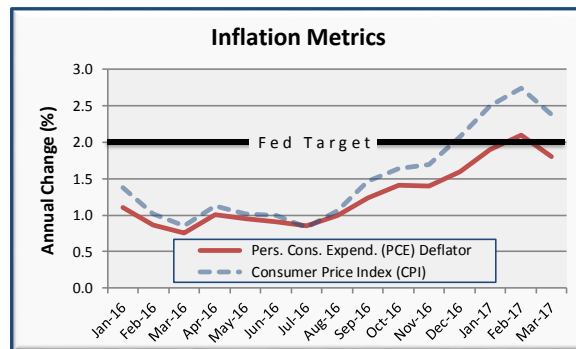
Manufacturing & Service	Prior	Current
ISM manufacturing index	57.7 (Feb)	57.2 (Mar)
ISM non-manufacturing index	57.6 (Feb)	55.2 (Mar)
Durable goods orders growth	2.3% (Feb)	0.7% (Mar)
Industrial production growth	0.1% (Feb)	0.5% (Mar)
Capacity utilization	75.7% (Feb)	76.1% (Mar)

Real Estate	Prior	Current
New home sales	587,000 (Feb)	621,000 (Mar)
Existing home sales	5.5MM (Feb)	5.7MM (Mar)
S&P CoreLogic CS home price index (YoY)	5.6% (Jan)	5.8% (Feb)

Inflation	Prior	Current
Consumer price index/Core (YoY growth)	2.7%/2.2% (Feb)	2.4%/2.0% (Mar)
Producer price index/Core (YoY growth)	2.2%/1.6% (Feb)	2.3%/1.8% (Mar)



Data Source: Institute for Supply Management



Data Sources: U.S. Bureau of Labor Stats. & Econ. Analysis

Market Returns

	April 2017	YTD 2017
Fixed Income		
BBgBarc Aggregate Bond	0.8%	1.6%
BBgBarc Municipal Bond	0.7%	2.3%
BBgBarc Gbl Agg. ex. U.S.	1.4%	3.9%
Alternatives		
Bloomberg Commodity	-1.5%	-3.8%
DJ U.S. Real Estate	0.6%	3.8%

Data Source: Morningstar

	April 2017	YTD 2017
Domestic Equities		
Wilshire 5000	1.0%	6.7%
S&P 500	1.0%	7.2%
Russell 2000	1.1%	3.6%
International Equities		
MSCI EAFE (Developed)	2.5%	10.0%
MSCI EM (Emerging)	2.2%	13.9%

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