



Weekly Market Review

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The Week Ending March 16, 2019

U.S. Stocks ended the strongest week of 2019 with the S&P 500 up 3.0%. International and Emerging Markets had strong weeks too with the MSCI EAFE returning 2.8% and the MSCI Emerging Market Index returning 2.7%. Positive headlines and developments from U.S./China trade negotiations, Brexit negotiations, and economic growth had investors breathing easy.

Chinese media is reporting concrete progress between the U.S. and China's trade negotiations. It has been expected that President Trump and President Xi will meet to close the final touches on the deal. China will likely want a deal completed prior to the two meeting to announce (which Trump acknowledged this past week). The timetable for a meeting between the two is expected to be postponed to mid-April at the earliest.



The United Kingdom and the European Union have yet to reach an agreement for a smooth exit. Parliament rejected Prime Minister Theresa May's latest proposed withdrawal agreement but did vote against leaving the EU without an agreement under any circumstances as well as delaying the upcoming March 29th deadline. All involved have considered leaving without a deal the worst-case scenario. So, while there are still many details to work out, investors are relieved that progress is being made.

Lower inflation data suggests the Fed's wait-and-see approach will likely not result in another rate increase in the coming months. Core CPI, which excludes energy and food prices, fell from 2.2% in January to 2.1% in February. The 10-year treasury yield fell from 2.76% on March 1st to 2.59% on March 15th. There is now only 0.56% difference between the 1-month treasury yield and the 30-year treasury yield.



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