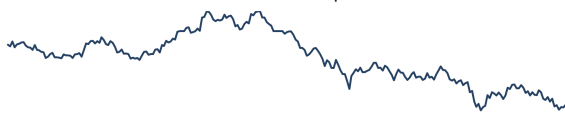


Look Back

- U.S. and China trade "tennis match" continued with more threats, no signs of progress
- Erratic U.S. market volatility made for hectic trading sessions; Week-over-week performance posted muted results; S&P (-0.69%) vs AGG (+0.33%)
- U.S. economic data releases remained mixed

US 10 Year | 1Y



Following last Monday's risk-off trading activity, U.S. equities and fixed income defied their typical inverse relationship. Despite major U.S. equity indices recuperating the lion's share of their Monday losses throughout the next four trading sessions, U.S. fixed income rallied, pushing yields towards the bottom of their recent ranges. U.S. yields are pricing in at least one (if not two) rate cuts this year based on Fed funds futures trading. That is suppressing yields and maintaining a strong bid in fixed income. It appears equities are encouraged by the notion of a more accommodative Fed stance, but we believe adding to risk based on this expectation is risky. To do so ignores the fact that for the Fed to cut 1-2 times in 2019, domestic data, consumer activity, and corporate sentiment would likely need to sour significantly before the central bank took action. This would leave U.S. equities vulnerable – long before the Fed could affect any meaningful change.

-Chip Hughey, CFA
Head of Fixed Income Strategy and Services



Equity	Level	Index Returns %				
		1w	QTD	YTD	1Y	Δ-1w
S&P 500	2840	1.08	0.49	14.21	6.80	
Dow Jones	25680	1.48	-0.61	11.13	6.26	
Nasdaq	7702	0.78	-0.18	16.59	5.90	
Russell 2000	1525	0.17	-0.82	13.63	-4.99	
MSCI EAFE	1858	0.77	0.09	10.30	-5.91	
MSCI EM	994	-2.18	-5.83	3.53	-10.16	

Fixed Income	Yield %	Index Returns %			
		1w	QTD	YTD	1Y
US Aggregate	2.91	0.01	0.51	3.46	6.38
US Credit	3.60	0.06	0.75	5.93	7.49
Global HY	6.38	0.14	0.33	6.68	4.22
Municipals	2.15	0.16	1.32	4.26	6.84

Benchmark Rates	Levels				1Y Trend
	05/20/19	05/13/19	04/22/19	05/21/18	
Fed Fuds	2.37	2.37	2.40	1.69	
1-Month Libor	2.44	2.44	2.49	1.96	
3-Month Libor	2.52	2.52	2.59	2.33	
2Y US Treasury	2.22	2.19	2.39	2.57	
5Y US Treasury	2.20	2.18	2.39	2.90	
10Y US Treasury	2.42	2.40	2.59	3.06	
30Y US Treasury	2.84	2.84	2.99	3.20	
Prime Rate	5.50	5.50	5.50	4.75	
30Y Fixed Mtge	4.04	3.99	4.12	4.53	

Commodities	Levels				1Y Trend
	05/20/19	05/13/19	04/22/19	05/21/18	
WTI Crude	63.10	61.78	66.30	66.85	
Gold	1277.81	1299.90	1274.93	1291.14	

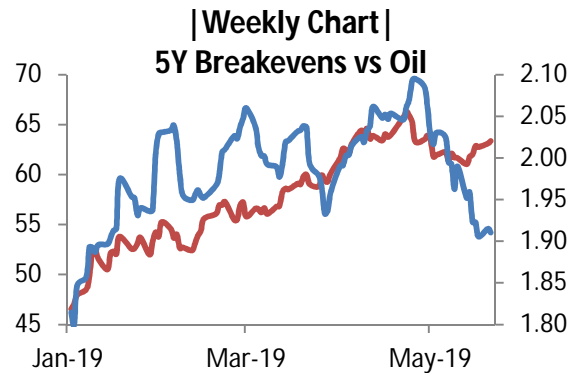
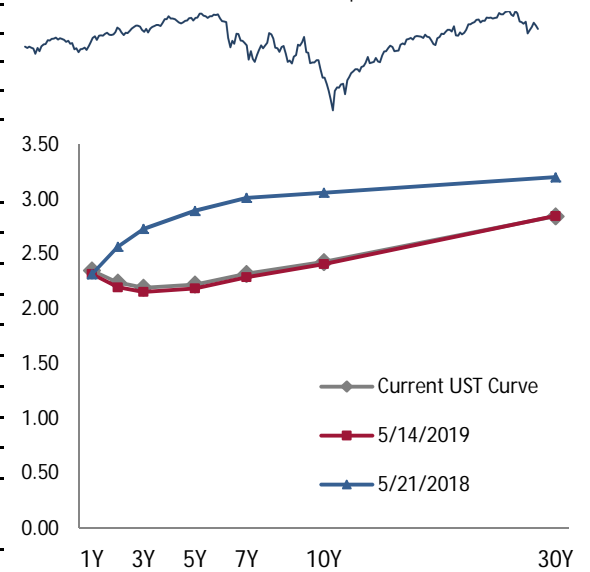
Currency	Levels				1Y Trend
	05/20/19	05/13/19	04/22/19	05/21/18	
\$ USD Index	97.93	97.32	97.29	93.61	
¥ JPY	110.06	109.30	111.94	110.90	
€ EUR	1.12	1.12	1.13	1.18	
£ GBP	1.27	1.30	1.30	1.34	

U.S. Eco Data	Levels				1Y Trend
	Latest	Previous	Previous	Previous	
GDP	2.20	12/31/18	3.40	09/30/18	
Core PCE	1.68	02/28/19	1.80	01/31/19	
NFP	189K	03/31/19	56K	02/28/19	
Avg Hrly Earn	3.20	03/31/19	3.40	02/28/19	
ECI	2.90	12/31/18	2.80	09/30/18	

Look Ahead

- U.S. is lifting steel and aluminum tariffs on Canada and Mexico tomorrow to finalize new NAFTA agreement
- Three notable Fed governors are speaking this week; Will discuss state of U.S. economy, trade, and monetary policy outlook
- Tech sector pressured by Huawei saga

S&P 500 INDEX | 1Y



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