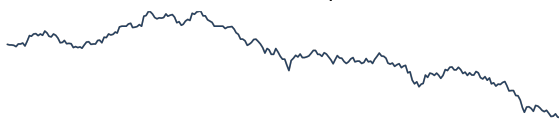


## Look Back

- The FOMC meeting did not produce a rate cut, but the official statement skewed dovishly and policymakers created flexibility for future cuts
- Iran shot down a U.S. drone; President Trump retaliated with new sanctions
- S&P 500 set fresh records; 10 year U.S. Treasury yields briefly dipped below 2% before retreating

US 10 Year | 1Y



Though the week ahead hosts relevant U.S. economic data releases (Q1 U.S. GDP, Personal Spending, Personal Income), the geopolitical stage is where audiences will center the most focus. Today, Fed Chair Powell will appear publicly for the first time since last week's FOMC rate decision and press conference. He will face Q&A at the Council on Foreign Relations in New York. Last week, the Fed seemingly prepped us for the return of Fed easing, a move that market participants have anticipated for months. When discussing Fed policy, Powell tends to be brief and direct with far less philosophic ruminating than his predecessors. Therefore, FedWatchers will be listening intently to how he characterizes the Fed's 2019 intentions. Later this week, President Trump and China President Xi will meet to discuss the ongoing trade dispute. Markets will demand signs of progress to sustain their all-time high levels. Any discord and we would expect risk markets to retreat and U.S. yields to move lower.

-Chip Hughey, CFA

Head of Fixed Income Strategy and Services

| Equity       | Level | Index Returns % |       |       |       |  | Δ-1w |
|--------------|-------|-----------------|-------|-------|-------|--|------|
|              |       | 1w              | QTD   | YTD   | 1Y    |  |      |
| S&P 500      | 2945  | 1.95            | 4.41  | 18.66 | 9.08  |  |      |
| Dow Jones    | 26728 | 2.36            | 3.70  | 15.95 | 11.32 |  |      |
| Nasdaq       | 8006  | 2.06            | 3.86  | 21.31 | 5.25  |  |      |
| Russell 2000 | 1530  | -0.16           | -0.35 | 14.17 | -7.98 |  |      |
| MSCI EAFE    | 1919  | 2.88            | 3.67  | 14.24 | 0.40  |  |      |
| MSCI EM      | 1053  | 4.36            | 0.40  | 10.38 | -0.18 |  |      |

| Fixed Income | Yield % | Levels |      |      |       | 1Y Trend |
|--------------|---------|--------|------|------|-------|----------|
|              |         | 1w     | QTD  | YTD  | 1Y    |          |
| US Aggregate | 2.51    | 0.66   | 2.92 | 5.95 | 8.07  |          |
| US Credit    | 3.17    | 1.41   | 4.22 | 9.58 | 10.86 |          |
| Global HY    | 5.75    | 1.45   | 2.85 | 9.36 | 6.98  |          |
| Municipals   | 2.02    | 0.22   | 2.09 | 5.05 | 6.80  |          |

| Benchmark Rates | Levels   |          |          |          | 1Y Trend |
|-----------------|----------|----------|----------|----------|----------|
|                 | 06/24/19 | 06/17/19 | 05/27/19 | 06/25/18 |          |
| Fed Fuds        | 2.36     | 2.36     | 2.37     | 1.90     |          |
| 1-Month Libor   | 2.40     | 2.39     | 2.43     | 2.09     |          |
| 3-Month Libor   | 2.35     | 2.42     | 2.52     | 2.33     |          |
| 2Y US Treasury  | 1.73     | 1.87     | 2.16     | 2.53     |          |
| 5Y US Treasury  | 1.75     | 1.86     | 2.12     | 2.75     |          |
| 10Y US Treasury | 2.01     | 2.09     | 2.32     | 2.88     |          |
| 30Y US Treasury | 2.54     | 2.58     | 2.75     | 3.03     |          |
| Prime Rate      | 5.50     | 5.50     | 5.50     | 5.00     |          |
| 30Y Fixed Mtge  | 3.89     | 3.93     | 4.01     | 0.00     |          |

| Commodities | Levels   |          |          |          | 1Y Trend |
|-------------|----------|----------|----------|----------|----------|
|             | 06/24/19 | 06/17/19 | 05/27/19 | 06/25/18 |          |
| WTI Crude   | 57.90    | 54.11    | 59.35    | 64.03    |          |
| Gold        | 1419.73  | 1339.64  | 1288.95  | 1259.05  |          |

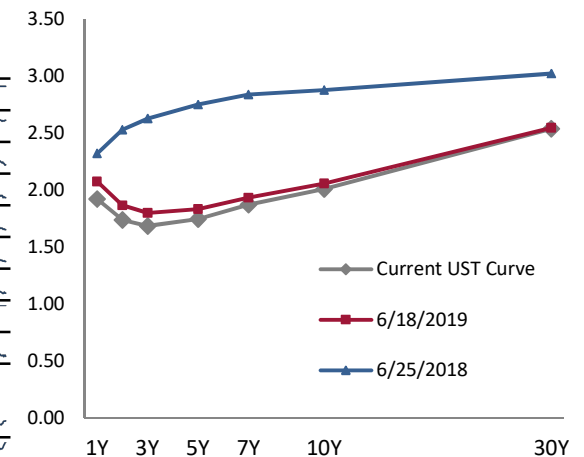
| Currency       | Levels   |          |          |          | 1Y Trend |
|----------------|----------|----------|----------|----------|----------|
|                | 06/24/19 | 06/17/19 | 05/27/19 | 06/25/18 |          |
| \$   USD Index | 95.98    | 97.56    | 97.61    | 94.68    |          |
| ¥   JPY        | 107.30   | 108.54   | 109.51   | 110.06   |          |
| €   EUR        | 1.14     | 1.12     | 1.12     | 1.16     |          |
| £   GBP        | 1.27     | 1.25     | 1.27     | 1.32     |          |

| U.S. Eco Data | Levels |          |      |          | 1Y Trend |
|---------------|--------|----------|------|----------|----------|
|               | Latest | Previous | 1Y   | Trend    |          |
| GDP           | 3.10   | 03/31/19 | 2.20 | 12/31/18 |          |
| Core PCE      | 1.57   | 04/30/19 | 1.49 | 03/31/19 |          |
| NFP           | 75K    | 05/31/19 | 224K | 04/30/19 |          |
| Avg Hrly Earn | 3.10   | 05/31/19 | 3.20 | 04/30/19 |          |
| ECI           | 2.80   | 03/31/19 | 2.90 | 12/31/18 |          |

## Look Ahead

- The G-20 summit starts Friday with increased focus on the U.S. and China's plan to restart trade negotiations
- U.S. data this week is Q1 GDP, Personal Spending and Income, and Core PCE (QoQ)
- Jerome Powell speaks at the Council on Foreign Relations in New York today

S&P 500 INDEX | 1Y



[Weekly Chart]

U.S. \$ Composite vs. Gold Spot Price

