

# MONTHLY ECONOMIC UPDATE

INVESTMENT NEWSLETTER / APRIL 2019

## April Summary

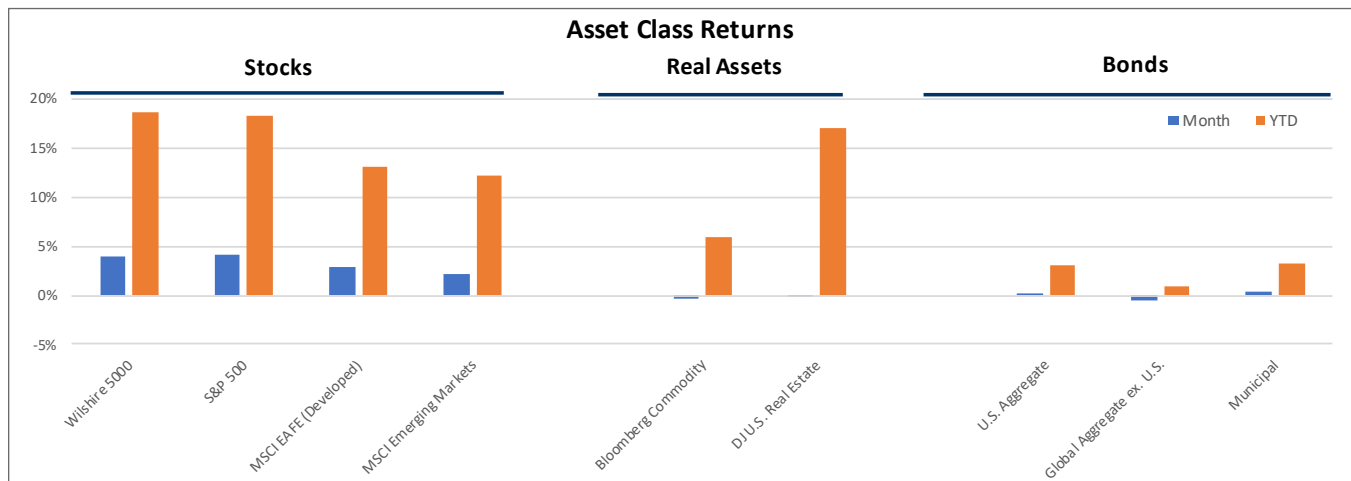
Market strength carried forward into April in what continued to be a Goldilocks environment for risk assets. Global equities were bolstered by stronger than anticipated economic growth data paired with benign inflation pressures. Recent market trends persisted in April. International equities lagged the U.S. and within U.S. equities, growth outpaced value. Strong performance within growth equities was driven by Information Technology stocks and holdings within the Communication Services sector. Healthcare was the worst performing S&P 500 sector for the month and year, largely based on regulatory and policy reform concerns. Bond returns were neutral for the month but remained positive for the year. This is a byproduct of compressed credit

spreads supported by positive economic data. Global sovereign yields also remained below where they finished 2018. Municipal bonds were supported by strong demand paired with limited new supply. Municipals' strong performance so far this year has translated into diminished relative value versus U.S. Treasuries.

The U.S. economy sustained impressive growth of 3.2% over the first quarter, beating most expectations. The employment market also remains healthy, adding 263,000 new jobs in April. This brought the unemployment rate down to 3.6%, the lowest level in 50 years. Despite impressive levels of growth, inflation continued to be contained, allowing the Federal Reserve to keep rates steady. European economic data was more mixed.

Eurozone economic growth rose to 0.4% over the first quarter of 2019, up from 0.2% during the fourth quarter of 2018. At the same time, Eurozone economic sentiment kept falling, reaching its lowest level in nearly two years. Brexit confusion remained an overhang to U.K. markets. While emerging markets fared well for much of the month, they were negatively impacted by resurfaced trade negotiation concerns between China and the U.S. These concerns have since spread globally and reintroduced volatility into equity markets. Overall, global growth appears robust but higher valuations make risk assets more susceptible to potential economic disruptions.

## Market Data

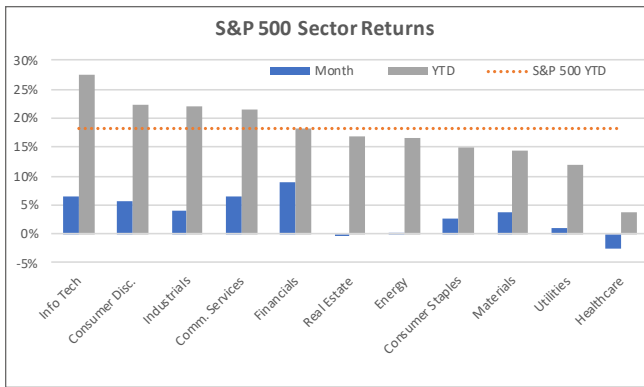


Morningstar and Bloomberg Barclays

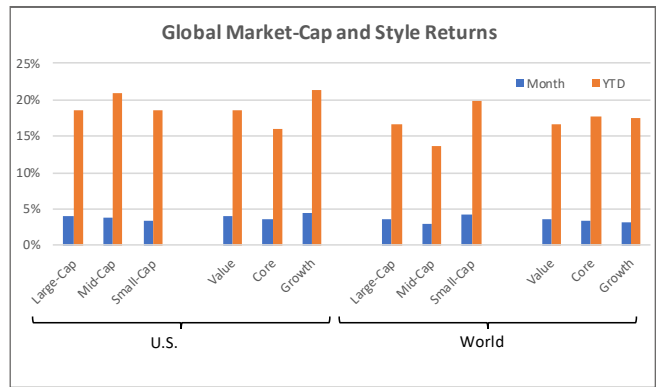


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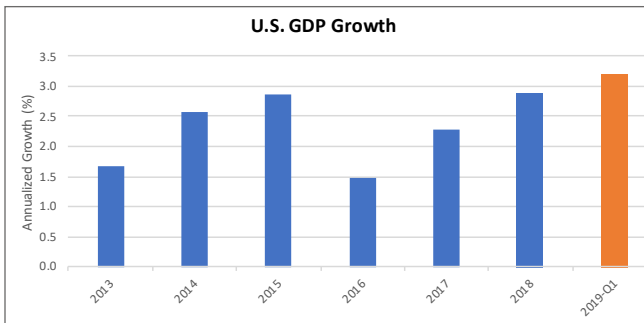


Bloomberg

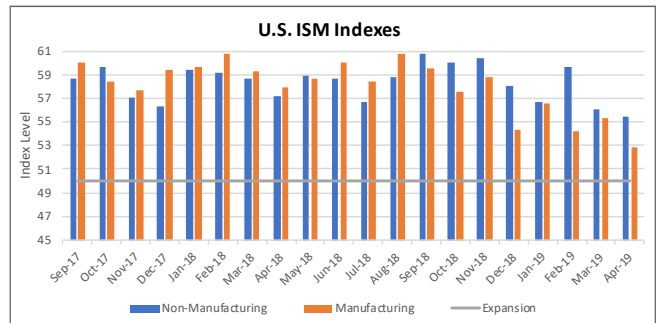


Bloomberg; U.S. indices from Russell and World indices from MSCI

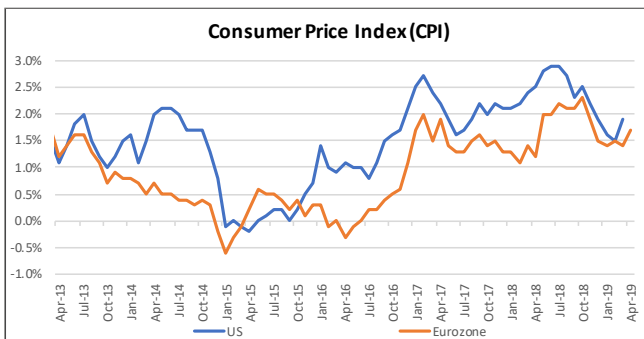
## Economic Data



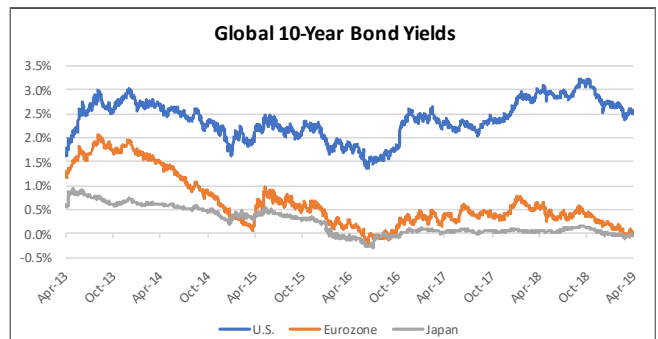
U.S. Department of Commerce



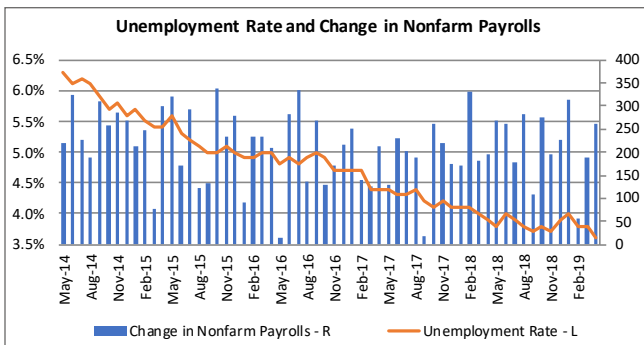
Institute for Supply Management



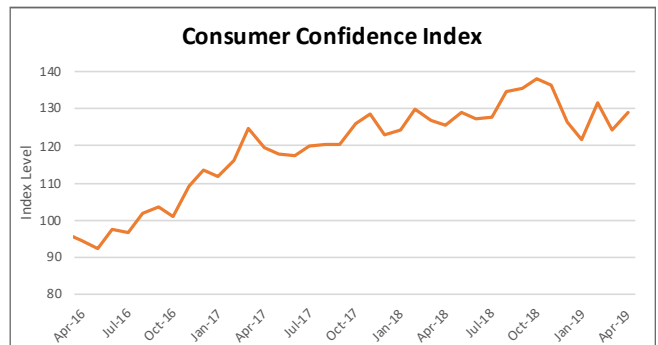
U.S. Bureau of Labor Statistics



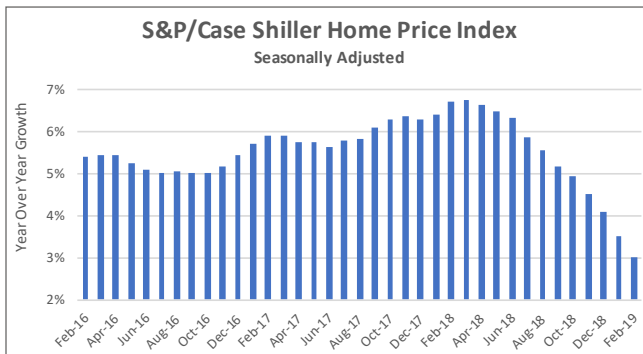
Bloomberg



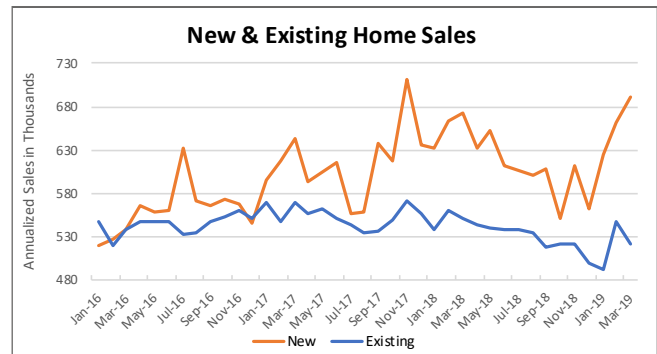
U.S. Bureau of Labor Statistics



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U.S. Bureau of the Census, U.S. Department of Housing and Urban Development and National Association of Realtors

## Disclaimers

This commentary was written by Craig Amico, CFA,® CIPM,® Senior Investment Analyst, Noreen Johnston, CFA,® Director of Portfolio Management and Steven Melnick, CFA,® Senior Investment Analyst at Summit Financial, LLC., an SEC Registered Investment Adviser (“Summit”), headquartered at 4 Campus Drive, Parsippany, NJ 07054, Tel. 973-285-3600. It is provided for your information and guidance and is not intended as specific advice and does not constitute an offer to sell securities. Summit is an investment adviser and offers asset management and financial planning services. Indices are unmanaged and cannot be invested into directly. The Wilshire 5000 Total Market Index measures the performance of all U.S.-headquartered equity securities with readily available price data; the Standard & Poor’s 500 Index (S&P 500) is an unmanaged group of securities considered to be representative of the stock market; the Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market; the MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada; the MSCI Emerging Markets Index is a free float-adjusted market capitalization index designed to measure

the equity market performance of emerging markets; the Bloomberg Commodity Index measures the performance of an unleveraged, long-only investment in commodity futures that is broadly diversified and primarily liquidity weighted; the Dow Jones U.S. Real Estate Index measures the performance of the real estate sector of the U.S. equity market. It includes companies in the real estate holding and development industries and Real Estate Investment Trusts; the Bloomberg Barclays U.S. Aggregate Bond Index is a market capitalization-weighted index comprising Treasury securities, Government agency bonds, mortgage backed bonds, corporate bonds, and some foreign bonds traded in the U.S.; the Bloomberg Barclays Global Aggregate Ex U.S. Index measures the performance of global investment grade fixed-rate debt markets that excludes USD-dominated securities. The Bloomberg Barclays Municipal Bond Index covers the U.S. dollar-denominated long-term tax-exempt bond market. Data in this newsletter is obtained from sources which we, and our suppliers believe to be reliable, but we do not warrant or guarantee the timeliness or accuracy of this information. Consult your financial professional before making any investment decision. Past performance is no guarantee of future results. Diversification/asset allocation does not ensure a profit or guarantee against a loss.