



Market in a Minute

April 17, 2018

Index Performance: As of April 13, 2018

Index	Price	Last Week	YTD
Dow Jones 30	24360	1.8%	-1.5%
S&P 500	2656	2.0%	-0.6%
NASDAQ	7107	2.8%	2.9%
Russell 2000	7649	2.4%	1.3%
Russell 2000 Growth	6931	3.5%	4.3%
Russell 2000 Value	11435	1.9%	-1.3%
Russell 1000 Growth	1329	2.1%	2.0%
Russell 1000 Value	1517	1.8%	-2.2%
Shanghai SE Index	3308	0.9%	-4.5%
SPDR Gold Shares	127.45	0.8%	3.1%
GS Crude Oil Total Return	7.61	10.4%	16.4%
Powershares US \$ Index	23.54	-0.4%	-2.0%
Ishares EAFE Index	70.79	2.0%	0.7%
iShares Barclays 20+ Yr Treasury Bond	120.90	-0.2%	-4.7%
Utilities Select Sector ETF	49.79	-1.2%	-5.5%
Vanguard REIT ETF	74.66	-0.8%	-10.0%
iShares Mortgage Real Estate	41.88	-1.6%	-7.3%
Wells Fargo BDC	19.39	-2.9%	-6.6%
Alerian MLP ETF	9.69	3.6%	-10.2%
iShares Global Telecom	58.11	1.2%	-4.0%

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

S&P Sector Performance

Index	Price	Last Week	YTD
Information Technology	1157	3.7%	4.6%
Consumer Disc.	806	0.5%	2.6%
Consumer Staples	542	0.2%	-7.8%

A Word on the Market by Pat Adams, CFA

The issues from last week all appear to be fading, with China expressing a willingness to work things out regarding trade issues. So far Syria has turned out so to be a non-event, as we expected. You must wonder what is really going on with the President's attorney Michael Cohen. There are obvious expectations that Deputy Secretary General Rosenstein will get fired after he signed off on the FBI raid of Cohen. You have to question why Sessions is still the attorney general. Chris Christie needs a job. It is probably the gap between firing Sessions and appointing a new AG, and Rosenstein being in charge is the issue. Comey really did not have much to say. The markets would not act well if it looked like Trump was truly in jeopardy. Facebook seems to be headed to being regulated, which will not be good for the stock in the short term.

This is a big week for earnings reports. Tuesday is very busy, and we are very curious about IBM, but also JNJ and GS. IBM's stock has essentially been flat to down since 2011. They have been moving into new emerging technologies and have a new mainframe cycle ramping up. The drug stocks are very cheap, we want to see how the market reacts to JNJ. Lastly, Goldman Sachs being a financial, if they report a strong quarter but see a continuation of poor stock performance like when JPM, C, and WFC reported last week, it would not be a good trend for the market. We would expect the financials to start to act better. GE reports on Friday...it will be interesting to see what they have to say. The stock seems cheap enough, but this CEO has absolutely no confidence from "Wall Street." There are lots of issues that need to be resolved such as their pension liability. The CEO is planning on selling businesses, but he is doing it out of desperation it appears.

On Wednesday, Kinder Morgan reports earnings and is expected to report 24% year over year growth. KMI is an energy infrastructure company. The chart below shows the AMLP ETF which is comprised of energy infrastructure MLPs. As you can see AMLP has lagged the energy sector dramatically. This ETF has a 9% dividend yield, on a historical basis this is very attractive. We believe the sector is compelling relative to other energy investments and relative to an expensive stock market.

Health Care	947	2.4%	-1.0%
Financials	456	1.0%	-1.8%
Industrials	622	1.6%	-2.5%
Energy	528	6.0%	-1.1%
Telecommunications	151	-0.6%	-9.4%
Utilities	252	-1.3%	-5.6%
Materials	364	2.8%	-4.0%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

Fed Fund	1.625	5-Year	2.67
3-Month	1.76	10-Year	2.82
6-Month	1.97	30-Year	3.03
2-Year	2.37		

Source: Bloomberg.com

Economic Events This Week

16-Apr	Retail Sales	0.4%	-0.1%
16-Apr	Retail Sales ex-auto	0.2%	0.2%
16-Apr	Business Inventories	0.6%	0.6%
17-Apr	Housing Starts	1268K	1236K
17-Apr	Building Permits	1315K	1298K
17-Apr	Industrial Production	0.3%	1.1%
17-Apr	Capacity Utilization	77.8%	78.1%
19-Apr	Initial Claims	226K	233K
19-Apr	Philadelphia Fed	21.0	22.3
19-Apr	Leading Indicators	0.4%	0.6%

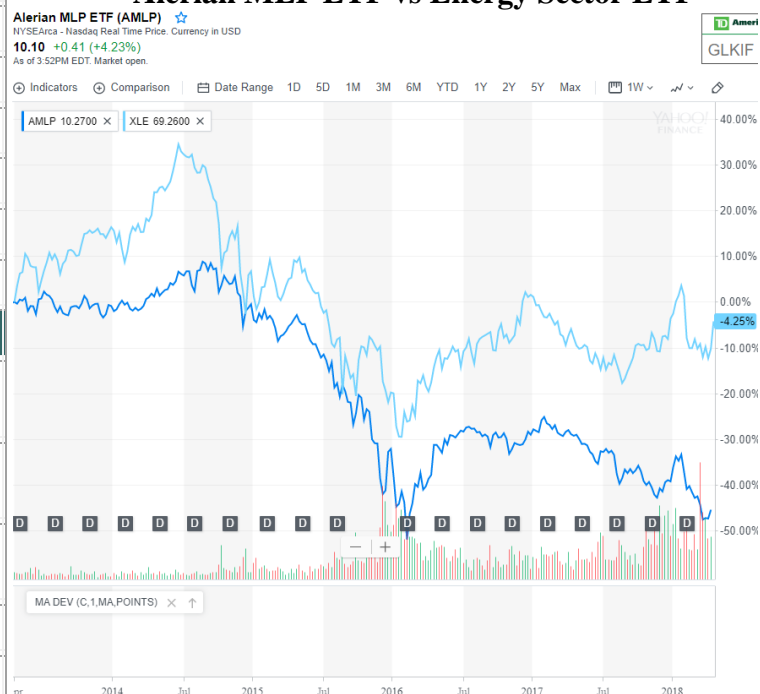
Source: Briefing.com

Economic Events Last Week

Date	Event
10-Apr	PPI for Mar. came in at 0.3% compared to expectations of 0.2%

This is one of the more undervalued areas of the equity income sectors that we like at current levels.

Alerian MLP ETF vs Energy Sector ETF



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10-Apr	Core PPI for Mar. was also reported at 0.3% vs. estimates of 0.2%
10-Apr	Wholesale Inventories for Feb. came in at 1.0% vs. forecasts of 1.1%
11-Apr	CPI for Mar. was -0.1% which was lower vs. estimates of 0.1%
11-Apr	Core CPI for Mar. was 0.2% which was in line with expectations
12-Apr	Initial Claims for the week of 4/7 came in at 233K compared to forecasts of 230K
12-Apr	The Michigan Sentiment for Apr. was reported at 97.8 which was lower vs. estimates of 100.6
Source: Briefing.com	

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