



## Market in a Minute

March 5, 2019

### Index Performance: As of Mar. 1, 2019

Index	Price	Last Week	YTD
Dow Jones 30	26026.32	0.0%	11.6%
S&P 500	2803.69	0.4%	11.8%
NASDAQ	7595.35	0.9%	14.5%
Russell 2000	7938.47	0.0%	18.1%
Russell 2000 Growth	7243.78	1.0%	20.2%
Russell 2000 Value	11701.75	-1.0%	15.9%
Russell 1000 Growth	1460.11	0.7%	13.8%
Russell 1000 Value	1591.43	0.2%	11.8%
Shanghai SE Index	3135.75	6.8%	20.1%
SPDR Gold Shares	121.89	-2.9%	0.5%
GS Crude Oil Total Return	6.22	-3.6%	29.9%
Powershares US \$ Index	25.74	0.1%	1.1%
Ishares EAFE Index	64.63	0.8%	10.0%
iShares Barclays 20+ Yr Treasury Bond	118.66	-2.4%	-2.3%
Utilities Select Sector ETF	57.13	0.1%	8.0%
Vanguard REIT ETF	83.73	-1.6%	12.3%
iShares Mortgage Real Estate	43.12	-0.4%	8.0%
Wells Fargo BDC	19.73	-2.5%	11.5%
Alerian MLP ETF	9.75	-0.9%	11.7%
iShares Global Telecom	55.13	-0.3%	9.9%
ETFMG Alternative Harvest ETF	37.12	1.6%	48.8%
BitCoin Investment Trust	4.58	-5.4%	15.7%

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

### S&P Sector Performance: As of Mar. 1, 2019

Index	Price	Last Week	YTD
Information Technology	1249.02	1.0%	14.7%
Consumer Disc.	874.97	0.1%	12.0%

### A Word on the Market by Pat Adams, CFA

The market is playing a game of tug of war with breaking out or breaking down. The S&P 500 closed the week at 2804. This seems to be a tough level for the market to overcome. On a technical basis, if the market can break through this resistance and hold, it then can make a move to the old highs of 2930. Given the market has rallied very hard off the bottom in December, we continue to believe some time needs to be put in place and some additional confidence build on earnings growth into 2020. Since September, the market has failed three other times at this level. On the downside, the 200-day moving average will be the first support level at 2750, and it does have a very slight upward slope...better than negative, but not indicative of a strong trend. From our view, owning stocks here is okay as the 200-day moving average is only 2% lower and should be viewed as an exit if it would breach that level.

In terms of fundamentals, last week was a little mixed. The retailers had fairly good earnings reports and the 4<sup>th</sup> quarter GDP report was better than expected. On the weaker side, and more forward looking, consumer sentiment was weaker than expected and as was the very important ISM Manufacturing Index. This week there are a number of important economic reports, including housing and the Employment Report. Housing has been weakening for a while, and perhaps the decline has stopped. We believe the employment numbers are not going to be anywhere near as strong as last month. Target reports on Tuesday, we would expect a positive report given the positive reports by the other retailers. We like TGT, as the stock is very undervalued, and their strategy is sound. If Amazon wants to really compete with Walmart, TGT would be a "prime" acquisition.

Wall Street goes through these exaggerated love/hate relationships with stocks, we have seen that very recently with the FANG stocks, and on the hate side the food stocks are there now. The group seems like it is actually turning up now, however the highest quality and largest, Kraft Heinz dropped 30% last week on a not hugely significant miss in earnings. KHC took a significant write-off which actually helps the earnings in future periods. KHC now trades at only

Consumer Staples	558.61	-0.4%	7.1%
Health Care	1073.74	0.3%	7.3%
Financials	441.64	0.8%	11.5%
Industrials	640.88	0.2%	18.3%
Energy	488.65	1.1%	15.2%
Communications Services	155.2	0.6%	11.8%
Utilities	288.07	-0.1%	7.3%
Materials	343.5	-1.6%	8.5%
Real Estate	214.47	-1.2%	11.5%

Source: Bloomberg website, Returns are appreciation only.

#### Interest Rates

Fed Fund	2.25-2.50	5-Year	2.53
3-Month	2.46	10-Year	2.72
6-Month	2.54	30-Year	3.09
2-Year	2.55		

Source: Bloomberg.com

#### Economic Events This Week

<b>05-Mar</b>	ISM Non-Manufacturing PMI	59.7	56.7
<b>05-Mar</b>	New Home Sales	621K	599K
<b>06-Mar</b>	ADP Non-Farm Employment Change	190K	213K
<b>06-Mar</b>	Trade Balance	-57.8B	-49.3B
<b>07-Mar</b>	Unemployment Claims	225K	225K
<b>07-Mar</b>	Consumer Credit m/m	17.1B	16.6B
<b>08-Mar</b>	Average Hourly Earnings m/m	0.3%	0.1%
<b>08-Mar</b>	Non-Farm Employment Change	185K	304K
<b>08-Mar</b>	Unemployment Rate	3.9%	4.0%
<b>08-Mar</b>	Building Permits	1.29M	1.33M

10 times earnings and has a 5% dividend yield that is very safe. The food companies are improving their mix of business to be more in line with consumer trends. Small companies just cannot compete with the scale of these companies.

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<b>08-Mar</b>	Housing Starts	1.18M	1.08M
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Source: Briefing.com

Economic Events Last Week

Date	Event
<b>26-Feb</b>	Housing starts drops by 11% two-year low of 1.08m in December
<b>26-Feb</b>	Building permits up 0.3% to 1.33m
<b>26-Feb</b>	Consumer confidence index jumps to 131.4 in February from 121.7 in January
<b>27-Feb</b>	U.S. trade deficit in goods up 12.8% to \$79.5B in December
<b>27-Feb</b>	Pending home-sales index was reported at 103.2 in January up 4.6% from December
<b>27-Feb</b>	U.S. factory orders rose by 0.1% in December against a forecast of 0.5% increase
<b>28-Feb</b>	Gross domestic product grew at a 2.6% annual pace in the fourth quarter versus a forecast of 1.9% growth
<b>01-Mar</b>	Consumer spending dropped 0.5% in December
<b>01-Mar</b>	The annual rate of inflation slowed to 1.7% in December from 1.8%
<b>01-Mar</b>	ISM manufacturing index falls to 54.2% in February from 56.6%

Source: Briefing.com

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