



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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Stocks and bonds both finished in the red last week across all major indexes. The weaker than expected 1st quarter GDP in the U.S. brought a halt to the stronger dollar and injected some caution into markets. This week winds down 1Q earnings reports and elections in Britain take the focus overseas.

- Economic Update:** 1Q GDP came in much lower than expected just 0.2%, well below expectations of 1.0% or more. Slower business investment, declining exports, and sluggish consumer spending all contributed to the slow down. Pending homes sales improved slightly last month and the ISM Manufacturing Index was unchanged.
- Great Britain Elections:** Election polls in Britain show a tight race between the David Cameron led Conservative Party, and the Labour Party of Ed Milbank. The Conservative led government could lead to more debt reduction and referendum on the European Union, while Labour turn could lead to increased regulations and taxes.
- 1Q Earnings Update:** Zacks Research estimates that 1Q earnings are up just 1.0%, on 4% lower revenues. The final 1Q earnings could represent the lowest quarterly earnings total in two years.
- PIMCO loses Throne:** PIMCO's Total Return Bond Fund lost the title of the world's biggest mutual fund to Vanguard Total Bond Index Fund. Vanguard's fund finished April with \$117 billion, ahead of PIMCO's \$110 billion.
- Trisha's Tidbit:** Her Royal Highness, Princess Charlotte of Cambridge, was born on May 2nd! Her full name is Charlotte Elizabeth Diana, which takes names from both sides of her family. The new baby is now fourth in line to the throne behind Prince Charles, William and big brother George.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.92	-0.68	0.91
Barclays High Yield Bond	-0.10	1.23	3.78
Barclays Glb Agg Bond	-0.15	0.75	-1.19
JPM Emerging Mkts Bond	-0.88	1.78	3.88
S&P Equity 500 Index	-0.42	2.06	3.03
Russell 3000 All Cap Index	-0.77	1.48	3.30
Russell 2000 Small Cap Index	-3.09	-1.91	2.32
NASDAQ Composite	-1.68	2.17	6.04
S&P Global BMI	-0.80	3.23	6.07
MSCI EAFE Index	-0.90	3.79	8.85
MSCI EAFE Small Cap	-0.73	3.92	9.70
MSCI Emerging Markets	-1.33	7.51	9.92

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