

Wednesday, May 01, 2019

Good Afternoon,

Stocks have made it all the way back and the S&P 500 closed at an all-time high yesterday. In other words, the recent rally has brought stocks back to the point we reached in mid-September of last year. Recent economic data has been solid, interest rates remain low and inflation is under control. Manufacturing and Consumer Confidence both rose in April. Things seem good. Maybe too good?

While the Q1 GDP number was very solid last Friday, a deeper dive into the numbers shows much of the growth was propelled by inventory buildups and exports – both of which are likely to prove temporary. As odd as this sounds, our political drama will probably elevate in the next few months adding uncertainty and potential risks for investors. Good news on trade (with China) is baked into markets and could prove premature or even disappointing. While we don't see anything too serious in the near term, investor complacency is a risk in and of itself.

Did you spend any time with the NFL draft last weekend? By most accounts, the Buffalo Bills did well to beef up their defense. Should they have pursued some big-name quarterback? Probably not. The 6 highest paid quarterbacks in the NFL in 2018 – Aaron Rodgers (Green Bay), Matt Ryan (Atlanta), Kirk Cousins (Minnesota), Jimmy Garoppolo (San Francisco), Matthew Stafford (Detroit) and Derek Carr (Oakland) – did not make the post-season playoffs last season. Guess we'll stick with what's-his-name.

I will be attending a Commonwealth Conference next week and the Update will return in two weeks. Until then, enjoy!

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http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

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