



THE WEEK IN REVIEW

On Thursday, global stocks rose to their highest levels of 2016. Most of the gains in U.S. stocks came early in the week as a jump in oil prices boosted energy stocks. The price of crude oil rose 4.5% on Tuesday on hopes that major oil producers will reach a deal to freeze production levels at a meeting this Sunday in Qatar. Crude oil prices declined the rest of the week as expectations of a deal quickly faded after Iran said it will not participate in the meeting because it wants to rebuild its oil production to pre-sanction levels. Saudi Arabia has signaled it will not agree to freeze production unless Iran participates in the deal.

China's economy expanded 6.7% year-over-year in the first quarter, down from 6.8% in the previous quarter. Industrial output, retail sales, fixed-asset investment, and new credit increased more than expected in March, suggesting short-term stabilization in the economy. At China's annual legislative session in March, economic stability was emphasized even if it means delaying economic reforms. A sharp rise in government spending and new credit this year has elevated concerns about overcapacity, excess debt, and the sustainability of long-term growth.

U.S. consumer prices rose less than expected last month and underlying inflation slowed, according to economic data released on Thursday. The Labor Department said its Consumer Price Index (CPI) gained 0.1% in March as a rebound in gasoline prices was partly offset by a drop in the cost of food. In the 12 months through March, the CPI increased 0.9% after advancing 1.0% in February. The core CPI, which excludes food and energy costs, inched up 0.1%, marking the smallest increase since August and followed a 0.3% increase in February. In a second report on Wednesday, the Labor Department said initial claims for jobless benefits decreased 13,000 to a seasonally adjusted 253,000 for the week ended April 9, matching the level for early March which was the lowest since November 1973.

U.S. retail sales fell last month as Americans cut back on auto purchases, the latest sign that consumers are reluctant to spend freely amid slow wage growth. Sales at retail stores and restaurants slid 0.3% from the prior month to a seasonally adjusted \$446.9 billion in March, the Commerce Department said on Wednesday. Retail sales for February were revised to a flat reading, compared with the initially reported 0.1% decline. One big reason for March's weak overall reading was the drop in auto sales, a major driver of spending last year. Spending on vehicles and parts tumbled 2.1% in March, the steepest such fall in more than a year. Excluding motor vehicles and gasoline, sales advanced 0.1% last month.

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	17,897.46	1.82%	2.71%	-1.18%
NASDAQ	4,938.22	1.80%	-1.38%	-1.45%
S&P 500 LargeCap	2,080.73	1.62%	1.80%	-1.23%
S&P 400 MidCap	1,464.77	2.63%	4.73%	-4.74%
S&P 600 SmallCap	692.63	2.81%	3.11%	-4.84%
MSCI EAFE	1,682.93	3.54%	-1.94%	-11.62%
MSCI Emerging Markets	845.45	3.51%	6.46%	-18.46%

Barclays Aggregate US	-0.08%	3.29%	1.90%
Bloomberg Non-US Govt Bond	0.92%	6.54%	1.50%
Bloomberg US Treasury Index	-0.31%	3.28%	2.14%
Bloomberg High Yield Index	1.55%	5.65%	-1.92%

FTSE/NAREIT All REIT Index	0.33%	4.73%	1.75%
Bloomberg Commodity Index	1.73%	2.33%	-20.75%

KEY BOND RATES	WEEK	1 MO AGO	1 YR AGO
3-Month T-Bill	0.22%	0.34%	0.02%
2-Year Treasury	0.74%	0.98%	0.51%
5-Year Treasury	1.22%	1.50%	1.33%
10-Year Treasury	1.76%	1.97%	1.91%
30-Year Treasury	2.56%	2.73%	2.55%
Municipal Bond Yields (10 Yr)	1.65%	1.87%	1.99%

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified. Returns include reinvestment of dividends, if any and there is no guarantee they will continue.

UPCOMING WEEK

This Sunday's meeting of major oil producers could influence market activity next Monday. Housing starts and existing home sales are the only major economic data releases next week. Economists are forecasting weaker housing starts in March following strong growth in February. Sales of previously owned homes may rebound from a three-month low in February.

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