







## Macroeconomic Overview

United States	Price	Day	Weekly	Monthly	Yearly
 <b>S&amp;P VIX</b>	10.85 ▲ 0.09	0.09%	-4.08%	-1.65%	-2.92%
 <b>Russell 2000</b>	1422 ▲ 11	0.80 %	3.83%	4.58%	22.99%
 <b>NASDAQ</b>	6025 ▼ 0	0.00 %	2.77%	3.17%	23.90%
 <b>NASDAQ 100</b>	5540 ▼ 8	-0.15 %	2.62%	3.10%	25.46%
 <b>S&amp;P 500</b>	2387 ▼ 1	-0.04 %	2.11%	1.96%	13.95%
 <b>Dow Jones</b>	20983 ▼ 12	-0.06 %	2.80%	2.06%	16.26%

### Domestic





Domestic markets this week seemed to be moderately bolstered mostly by Fed data that was released during the week. The Beige Book, a generic summary of macro

conditions, indicated a trend of solid wage gain, indicating a push towards increased productivity, and therefore bolstered economic growth. The good news is that this indication is validated by the Fed's verification of continued growth paired with tight labor market conditions. The bad news, however, stems from that this growth is still modest due to continued uncertainty in the fiscal arena and other political tensions, again continuing the theme of economic uncertainty bleeding into equity markets. Although stocks may have ended the week in lighter positive territory, negative financial surprises within earnings releases continued to lag expected growth within different market segments. Large cap stocks, like Goldman-Sachs, IBM, and Cardinal Health missed earnings estimates.

Beyond heavy-hitting companies, the wage growth reports seemed to adversely affect earnings on a larger level. Wage growth, as optimistic as it seems, will come with downfalls. Increasing labor costs will tighten budgets and margins, much of which was experienced with the companies named above. This week, we would expect to see the companies with the highest pricing powers rise to the top of their industries. Strong pricing power indicates an ability to increase revenue in inelastic arenas, one of the most organic sources of growth. Companies that will have to offset increasing labor costs by decreasing other costs, such as Capex, or execute one-time asset sell-offs will be destroying their respective values because of their inability to capitalize on inelastic demand.

Could this indicate a shift in sentiment? That is, the companies that are unable to facilitate strong pricing power would theoretically be in elastic or heavily discretionary markets, thus indicating a trend in staple spending. Although the market may be pricing a more bullish outlook, political and fiscal uncertainties are looming over market pricing. Thankfully, investor sensitivity to Trump's tax reform was validated as Secretary Mnuchin's remarks towards the evolution of Trump's fiscal plans seemed to drive a late-week rally. We would expect to see positive market movements if Trump's announcements about tax-reform align with his pro-business reformations.




## Foreign Markets

Europe	Price		Day	Weekly	Monthly	Yearly
 <b>FTSE 100</b>	7264	▼ 11	-0.15 %	2.45%	-0.07%	15.33%
 <b>FTSE All</b>	4003	▲ 11	0.27 %	2.23%	0.73%	15.46%
 <b>DAX</b>	12433	▼ 34	-0.27 %	3.80%	3.97%	21.10%
 <b>CAC 40</b>	5265	▼ 12	-0.22 %	5.68%	5.39%	15.98%

**Europe:** France's markets seemed to underperform throughout the rest of the Eurozone this week.

While another suspected terrorist attack victimized the country, investors

continued to be damaged. However, on the business front, activity in the private-sector reached a six-year high. This would indicate that general consumers, and businesses, hold an optimistic outlook towards the future of the Eurozone, even with Brexit futures in limbo. The first round of the French election will be held on April 23 as polls indicate that Le Pen and Macron will be dueling the battle on May 7. If, however, the most "destabilizing option" were to occur, Le Pen and Melenchon would face-off during the second round and their mutual anti-European Union would prove to adversely affect foreign markets, according to analysts.

Asia	Price		Day	Weekly	Monthly	Yearly
 <b>NIKKEI 225</b>	19256	▼ 26	-0.14 %	4.37%	0.17%	15.42%
 <b>SHANGHAI</b>	3,141	▼ 0.16	-0.01%	-0.99%	-3.45%	6.62%
 <b>CSI 300</b>	3,425	▼ 20.48	-0.59%	-1.08%	-1.32%	8.36%
 <b>SHANGHAI 50</b>	2,345	▲ 0.00	0.00%	0.38%	-0.50%	9.45%

**Asia:**

Japan's export figures grew 12% during March, according to analyst reports. Mostly, the growth can be attributed to recent

interest and demand found within the science and auto industries. Meanwhile, imports also increased heavily by about 16% due to the increased demand for energy imports since the 2011 meltdown. These GDP growth rates are well-needed in the nation as negative rates and an aging population have stagnated economic growth. Due to these bolstering figures, the Japanese International Monetary Fund have increased economic growth guidance from .8% to 1.2% throughout the rest of the year.

China's first quarter growth grew at a rate of roughly 7%, the first acceleration seen since the first quarter of 2010. However, growing risk within China's financial system seems to offset economic growth. The IMF guided that returns associated with a medium-term limit seemed to show the clearest negative signals mostly due to the misallocation of capital, according to T. Rowe Price. Adding to this, analysts indicate that the degradation of certain structural factors will add to the decline of overall economic growth. With economic growth continuing to teeter-totter, China's leadership as at the cusp of transition, which is showing a positive outlook, according to analysts.