







Macroeconomic Overview

Markets Gain on the Week but Weaker After Weak Q1 GDP

United States	Price		Day	Weekly	Monthly	Yearly
 Dow Jones	20973	▲ 34	0.16 %	2.07%	1.52%	18.00%
 S&P 500	2389	▲ 5	0.21 %	1.71%	1.17%	15.67%
 NASDAQ 100	5598	▲ 15	0.26 %	2.85%	3.08%	28.93%
 NASDAQ	6048	▼ 1	-0.02 %	2.32%	2.54%	26.64%
 Russell 2000	1400	▼ 0	0.00 %	1.49%	2.10%	23.84%
 S&P VIX	10.82	▲ 0.46	0.46%	-3.81%	-0.60%	-4.88%

The broader market gained on the week after many companies beat earnings estimates. Trump announcing his tax plan also accelerated the gains as it is not expected that we can reach new tax policy earlier than expected. We are seeing more confidence in Trump's economic policy to

boost growth as the 10-year Treasury has bounced back from lows indicating that investors believe we are going to see higher inflation. The 3 month LIBOR continues to climb steadily and in combination with the 10-year performance is an indicator of the overall performance of the banks and affects their lending revenues. GDP numbers were announced of Friday and the market reacted negatively early on but seemed to brush off the poor results later. Q1 has historically been weaker than the rest of the year so GDP, so far, is not the best gauge on economic performance.

All Eyes on France

The French election is on everyone's watch list this week as fears that Le Pen, who is not pro EU, will gain support. It is not likely the Le Pen will beat Macron but after the results of the US election one can not be too cautious. The market should react positively to news indicating a Macron lead. The election plays into the equation of how markets react to the level of geopolitical risk which has been growing as of late. We want a Macron victory because he is less likely to disrupt the status quo in the EU and world relations.

Earnings Season Recap and Takeaways

The major takeaway from earnings season is the fact that market valuations are not as high as investors thought and earnings can support them at this level. The banks overall have beat on earnings expectations and all have given positive guidance for the full year. Not only the banks but big tech has also beat performance expectations. Continuing into earnings season if we see more beats on expectations it will solidify the idea that equities aren't as overvalued as thought and may be undervalued.