



# FINANCIAL FOCUS:

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**T**here's no doubt that the economy continues to labor through a tough stretch. The question is whether it gets worse before it gets better. So far, the market sectors are indicating otherwise.

**By Gabriella Cosentino**

### **Jobs & Consumer Confidence**

The number of people who applied for unemployment benefits in late March fell to match the lowest level of 2019, a sign the sturdy labor market remains a source of strength for a U.S. economy struggling to gain traction.

The number of Americans losing their jobs fell last year to the lowest levels since the late 1960's, when the working population was much smaller. Jobless claims have bounced since last fall, but they remain extremely low.

In housing, a number of economic factors that previously contributed to a slowing market have eased or even reversed in recent weeks, as mortgage rates have been falling, home inventory is rising and the pace of home-price growth is slowing. New home sales rose in February to a 11-month high as growing demand for new homes returns.

### **Commodities**

Crude posted its strongest quarterly percentage rise in nearly a decade, closing out the first quarter of 2019 at \$60.18 per barrel.

Gold prices have settled below the \$1,300 mark, as a firmer dollar helped undercut demand. Gold ended the quarter at \$1,297.

The corn market is primed for gains based on increased use of the commodity to make ethanol and flooding in the U.S. Midwest, which both threaten to significantly tighten global supplies.

To date, its lackluster performance comes as the U.S. and China have failed to resolve their trade dispute, which began early last year, hurting expectations for the U.S. grain demand.

Economists have speculated that ethanol may be 'a ticking time bomb in the corn markets,' as China will be adopting an E10 fuel blend policy in 2020, while the U.S. is pushing to increase from E10 to E15. E10 is gasoline with 10% ethanol content, while E15 has 15% ethanol.

### **Market Overview**

U.S. stocks ended the quarter higher after signs of progress on U.S.-China trade talks helped outweigh fears over a slowing global economy.

The S&P 500 Index marked its best quarterly return in a decade, climbing 14% for the quarter and 1.8% for the month, ending the quarter at 2,834. The Dow Jones Industrial Average finished near 25,929, registering a monthly gain of 0.1% and a quarterly climb of 12.4%. The Nasdaq finished the quarter at 7,729, up 2.6% for the month and 17.4% for the quarter.

### **What's Ahead?**

The economy has repeatedly started a new year off slowly since the U.S. exited its last recession in mid-2009. And growth has usually picked up in the spring. The same pattern seems ready to re-emerge.

Hiring appeared to slow dramatically in February after big gains in January and December, but it's hard to know if it's merely a blip of the start of a long-predicted slowdown.

For housing, the anticipated spring home-buying season is shaping up to be one of the best in years, offering new opportunities after last year's tough housing market drove away many would-be buyers.

Sources: *MarketWatch & The Wall Street Journal*; March & April 2019.

(over, please)



## Numbers Talk

Average cost of tuition and fees for the 2018–2019 school year at private colleges...**\$35,676**

Average cost of tuition and fees for the 2018–2019 school year at a state school for out-of-state students...**\$21,629**

Average cost for state residents at public colleges for the 2018–2019 school year...**\$9,716**

Amount that will transfer from the baby boomer generation to younger generations over the next 30 to 40 years...**\$30 trillion**

Percentage of U.S. adults who have estate planning documents in place...**42**

Percentage of U.S. adults who have not made a will...**52**

Percentage of U.S. adults with children under age 18 who have estate planning documents in place...**36**

Percentage of all inheritances that are squandered shortly after receipt...**50**

Percentage of wills that feature some language about a pet...**27**

Percentage of all U.S. households (approximately 85 million families) that own a pet...**68**

Percentage of wealth advisory clients who say investment track record is the reason they chose their adviser...**42**

Percentage of wealth advisory clients who say trust is the reason they chose their adviser...**47**

Percentage of Americans who say their personal definition of wealth is living stress free with peace of mind...**28**

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