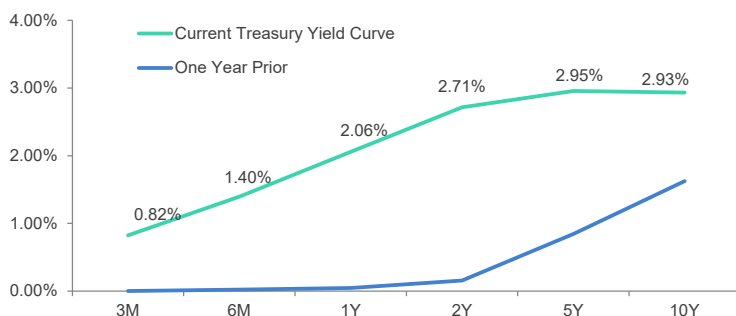
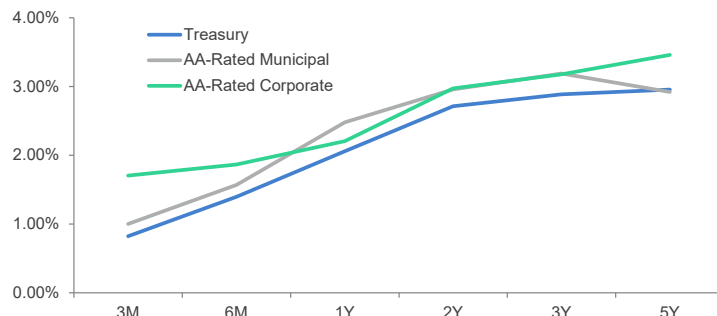


Historical Treasury Yield Curve



Source: Bloomberg Finance L.P. 4/30/22

Market Yields



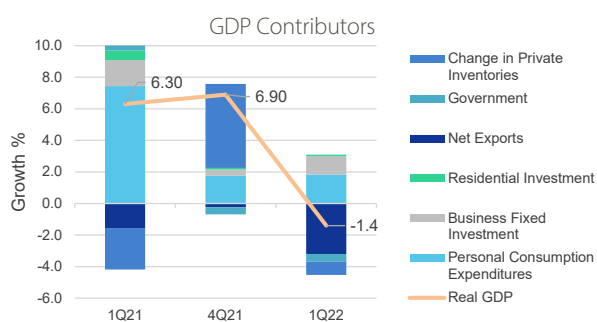
Source: Bloomberg Finance L.P. 4/30/22

FEATURED MARKET DATA

GDP and the Fed

While the 1.4% decline in U.S. Real Gross Domestic Product (GDP) for the first quarter was a sharp reversal in growth trend, the underlying components display a much stronger picture. Private demand, including spending by U.S. consumers and businesses, grew at a 3.7% annual rate. Consumer spending accelerated to a 2.7% annual growth rate and business spending surged to 9.2%. Higher imports, lower exports, declines in inventory and lower government growth all contributed to the negative GDP. The GDP report is unlikely to change the Federal Reserve's plans to raise interest rates rapidly this year. The Fed will likely see the stronger domestic growth details and firm labor market as reasons to remain hawkish on inflation.

Sources: Bloomberg, Wall Street Journal



Source: Bloomberg

RECENT NEWS

Market Pain

Stocks and bonds experienced substantial price pressure in April. The biggest headwind came from the velocity and magnitude of the rise in bond yields as the Fed projected a more aggressive policy shift. In fixed income, the Bloomberg U.S. Aggregate index was down 3.80% for the month. U.S. equities declined even more with the S&P 500, NASDAQ and Russell 2000 indices down 8.80%, 13.26% and 9.95%, respectively. In addition to the backup in rates, tighter financial conditions, bouts of curve inversion, negative real wage growth, dollar strength, and China's zero-tolerance approach to Covid and related lockdowns all served as bearish talking points.

Source: FactSet

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (MoM)	04/12/22	MAR	1.2%	1.2%	0.8%
Consumer Price Index (YoY)	04/12/22	MAR	8.4%	8.5%	7.9%
Consumer Confidence	04/26/22	APR	108.2	107.3	107.6 (R)
Personal Income	04/29/22	MAR	0.4%	0.5%	0.7% (R)
Personal Spending	04/29/22	MAR	0.6%	1.1%	0.6% (R)
Core PCE (MoM)	04/29/22	MAR	0.3%	0.3%	0.3% (R)
ISM Manufacturing	05/02/22	APR	57.6	55.4	57.1
Change in Nonfarm Payrolls	05/06/22	APR	391K	-	431K
Unemployment Rate	05/06/22	APR	3.5%	-	3.6%

Source: Bloomberg Finance L.P. 4/30/22. Glossary terms on following page.

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Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC

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