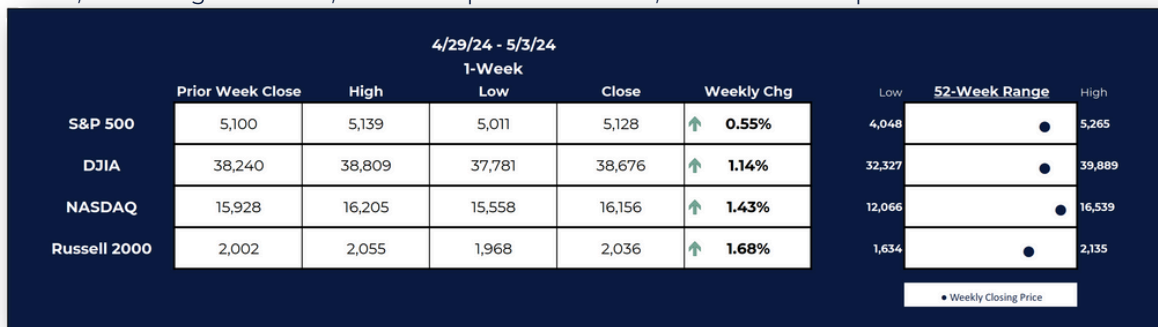


MARKET RECAP

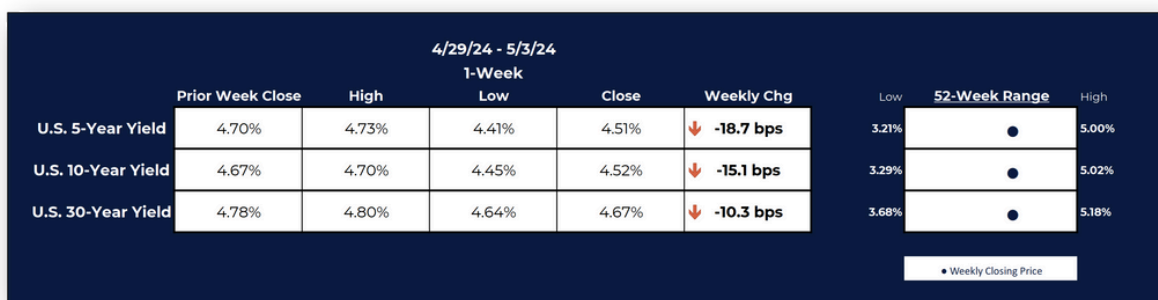
U.S. Equities

Stocks rallied from negative territory to end the week in the green after a weaker-than-expected jobs report was encouraging news for equities and bonds (yes a bad jobs report is good news). Friday's BLS report showed non-farm payrolls rose by 175,000 jobs in April, below the 240k expected by economists. The unemployment rate rose to 3.9%, versus 3.8% in March, while wages rose 0.2% for the month and +3.9% year-over-year, below estimates. On Wednesday we saw the Fed keep its target rate unchanged, as expected, in the 5.25-5.5% range. Stocks were quite volatile following the announcement, though rallied after the FOMC said they would reduce its "quantitative tightening" by cutting Treasury runoff from its balance sheet from \$60B to \$25B (a dovish move). Fed Chair Powell also commented that it was "unlikely" that the FOMC's next move would be a rate hike, though they still need improving inflation metrics to give them reason to cut its target. For the week, the S&P 500 rose 0.55%, the Dow gained 1.14%, the Nasdaq increased 1.43%, and the small-cap Russell 2000 rose 1.68%



U.S. Treasuries

After the jobs reports, yields fell as it increased the likelihood the Fed could still cut its target rate this year; reminder, the Fed has a dual mandate: 1) maximum employment and 2) stable prices. On Friday, the CME Group FedWatch tool was pricing a 50% likelihood of a 25 basis point rate cut in September, a slight improvement in odds though still well below the six 25 bps cuts that were forecast to start the year. For the week, the 5-year Treasury yield fell 18.7 bps to 4.51%, the 10-year dropped 15.1 bps to 4.52%, and the 30-year fell 10.3 bps to 4.67%.



Commodities

It was a rough week for commodities, with all sub-indices lower, and the S&P GSCI falling 3.82%. Oil prices had their worst weekly drop in several months. WTI crude fell 6.85% to \$78.11 per barrel, though it is still up ~10% year-to-date. Gold, which is up ~11.5% YTD, also pulled back this week as "risk assets" were more in favor; the precious metal fell 1.64% to \$2,308.60 per ounce.



QUOTE OF THE WEEK

"Wisdom is the reward you get for a lifetime of listening when you would rather have talked."

- MARK TWAIN

WEEKEND READS

[Podcast] [Your State of Mind Influences Your Investing Success](#) - *Enterprising Investor w/ Meir Statman*

[How To Think About Debt](#) - *Morgan Housel*

[Navigating the VC Fundraising Environment](#) - *Allocate*

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