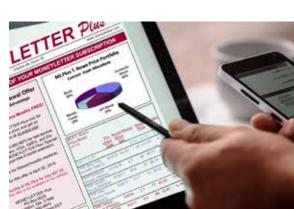


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MONEYL

The Fed Provides a Bo Recovery: The 1st Quarter 2

By Walter S. Frank, Chief Investm

The global economic growth slowdo The burning question is: Will it resul sion? Fourth Quarter US Gross Dom reduced from 2.6% to 2.2% in the rec Bureau of Economic Analysis, with the Bureau of Economic Analysis, with the to be lower; concerns are growing or recession in Germany; and political in France, Italy, and of course Great continues to play out in dramatic fast The Federal Reserve recognizes

The Federal Reserve recognizes t winds and has reduced their 2019 G But mostly because of what the Fe last month, the equity and bond may Yes, global economies are slowing nerable if no trade agreement is rultimately, we expect no recession dovish stance will allow the economies are allower growth rate. a lower growth rate.

US economy

• In-depth Fund Profile The pattern of slower domestic GDP readings for the last three quality have been +4.3%, +3.4%, and ensus estimate for the 1st Quarter of 2019 has dro to a meager 1.3%, although the Atlanta Fed's GDP now 1st Quarter forecast has moved above 2% in the last week. Most analysts expect a pickup as the year progres on seasonal factors and more certainty from the Fed.

Another culprit—the inversion of the yield curve—has picked up a lot of coverage in the financial press. The yield curve "inverts" when short-term interest rates (typically measured by the 3-month T-Bill) move above the yield on the 10-year treasury note. This occurred for the first time since 2007 on Friday March 22. An inversion is typically

Market Trends		
	Trailing 12-Mo Trend	Forward 6-Mo Estimate
Economy	Flat/Higher	Flat
Interest Rates (10-yr Tre	as.) Flat/Lower	Flat/Higher
Dollar	Higher	Flat
Inflation	Lower	Flat/Higher
Dow	Higher	Flat/Higher
NASDAQ	Higher	Flat/Higher
Europe	Flat	Flat/Higher
Japan (Nikkei)	Flat	Flat/Higher
Hong Kong (Hang Sens	g) Flat	Flat/Higher

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New Homes (Feb) 4/1 Retail Sales (Feb)

• Money Fund analysis

4/1 ISM Manufacturing (Mar) 55.3 54.5 54.2

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• Current Analysis

Fund Scorecard and

Conservative, Moderate,

and Venturesome funds

and suggested trades

 Domestic, International, Specialty, and Bond funds

Recommendations

4/1 ISM Manufacturing (Mar) 55.3 54.5 54.2 Notes: The February jobs adds were the lowest since September 2017. The previous three months had averaged +245k. Friday's March report will give an indication if the February number was "fluky." Existing home sales rebounded by a whopping 11.8% to the highest level in 11 months. The Fed's signal on interest rates appears to have revived buyers. Consumer Confidence decreased after a rebound in February. The series is currently volatile as consumers react to slower growth. January retail sales were revised up from 0.2% to 0.7%. February's decline brings the 12-month number to +2.2%, approximately the rate of inflation. New home sales hit their highest level since last March, but are only 0.6% higher than a year ago. This survey appears to be in a healthy, sustainable range for now. The ISM Manufacturing survey showed a modest increase in March, rebounding from its lowest level since 2016. Construction spending increased for the third straight month to a 9-month high. increased for the third straight month to a 9-month high.

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