JULEX CAPITAL

JULEX MACRO CHART BOOK

March 2019

For Institutions and Investment Advisers Only

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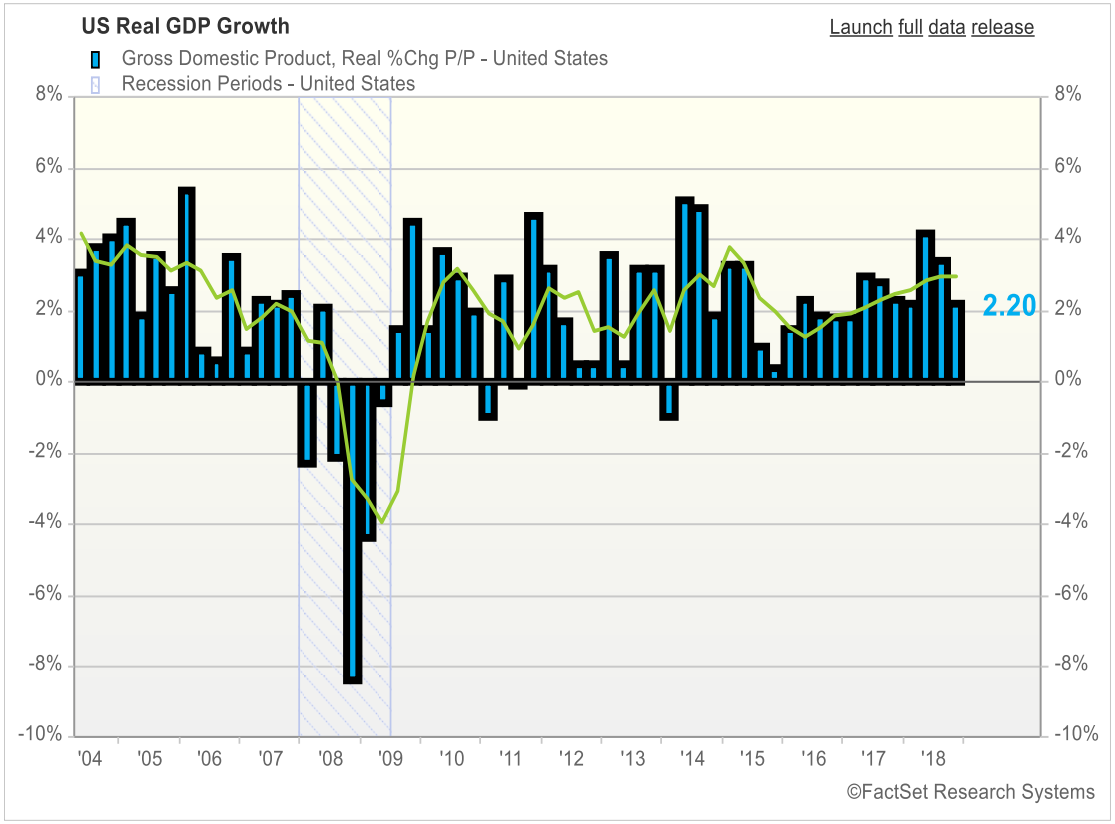
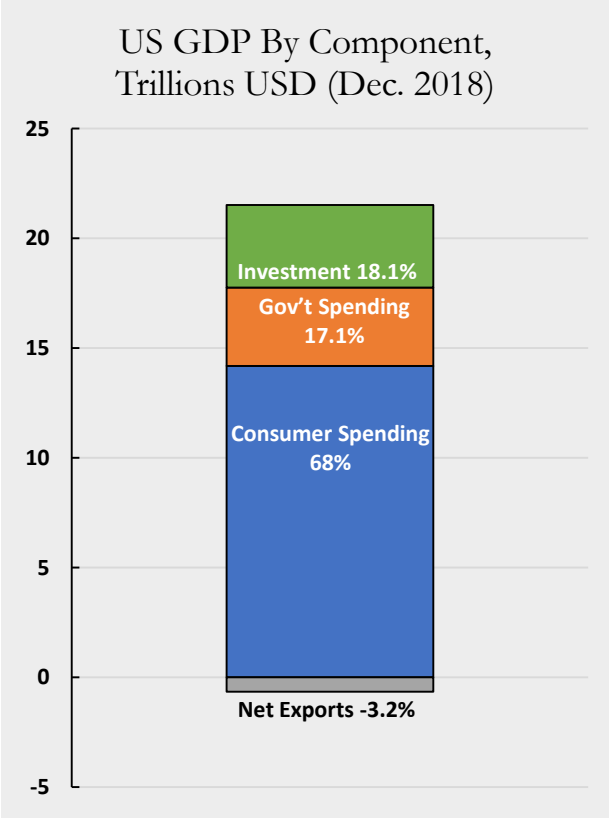
US Economy - GDP





The US economy grew at 2.2% annualized in Q4 2018. The growth rate for the full year of 2018 was 2.9%. The Fed expects GDP growth to slow in 2019 to about 2.3%.

US Economy - Labor Market

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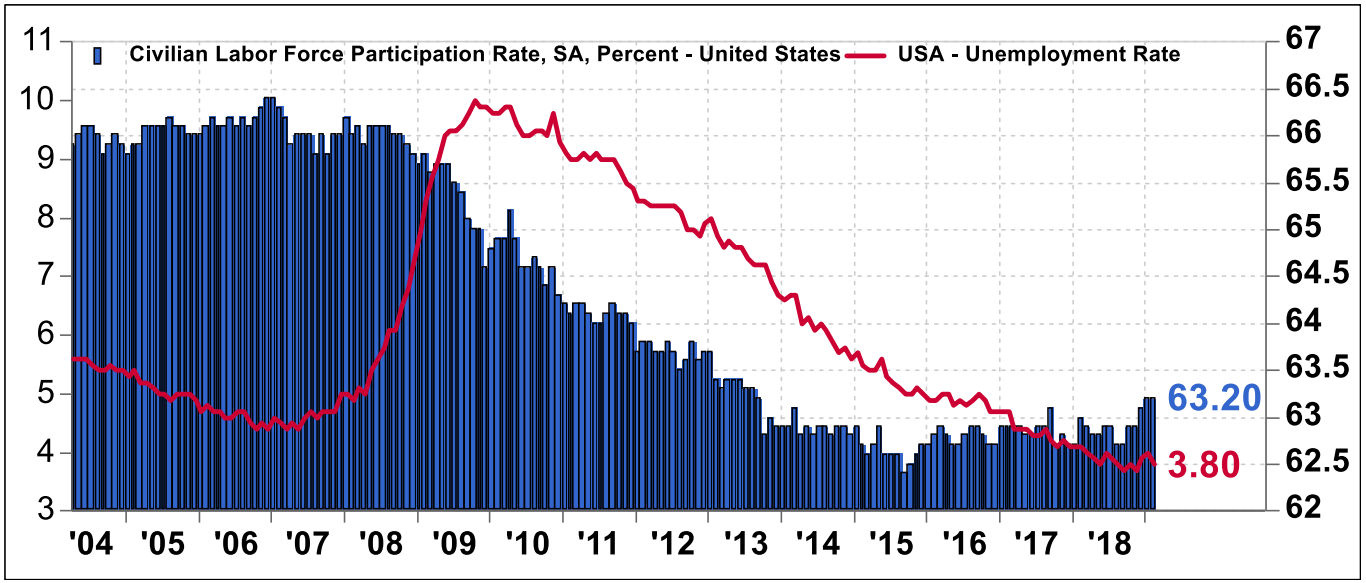
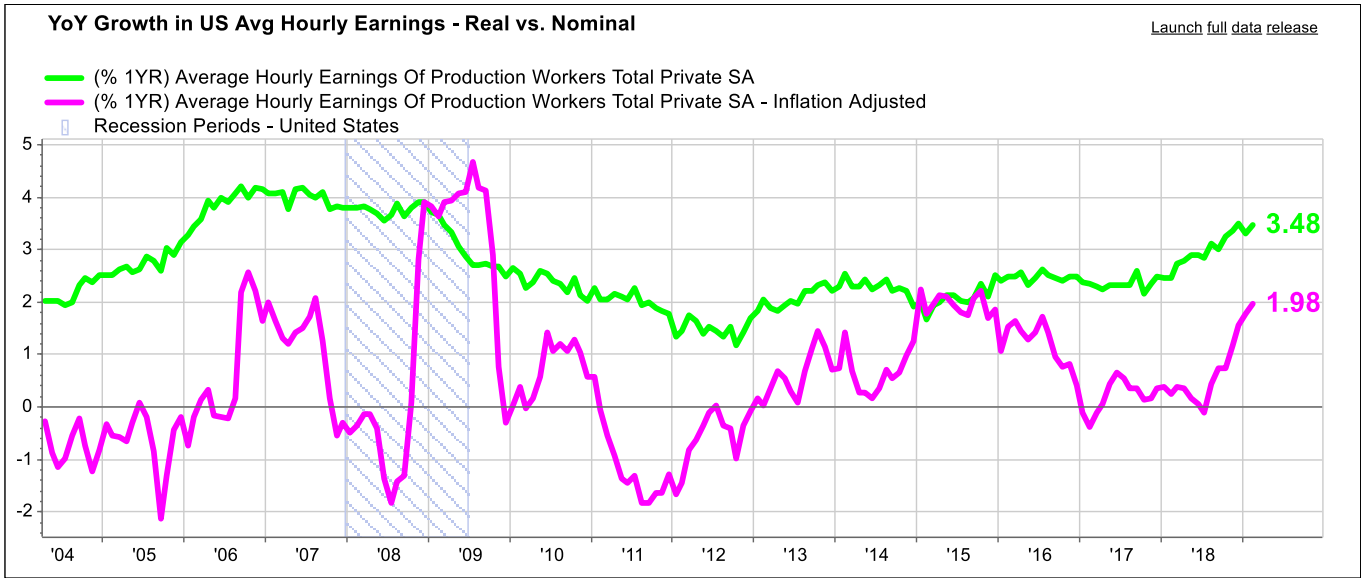
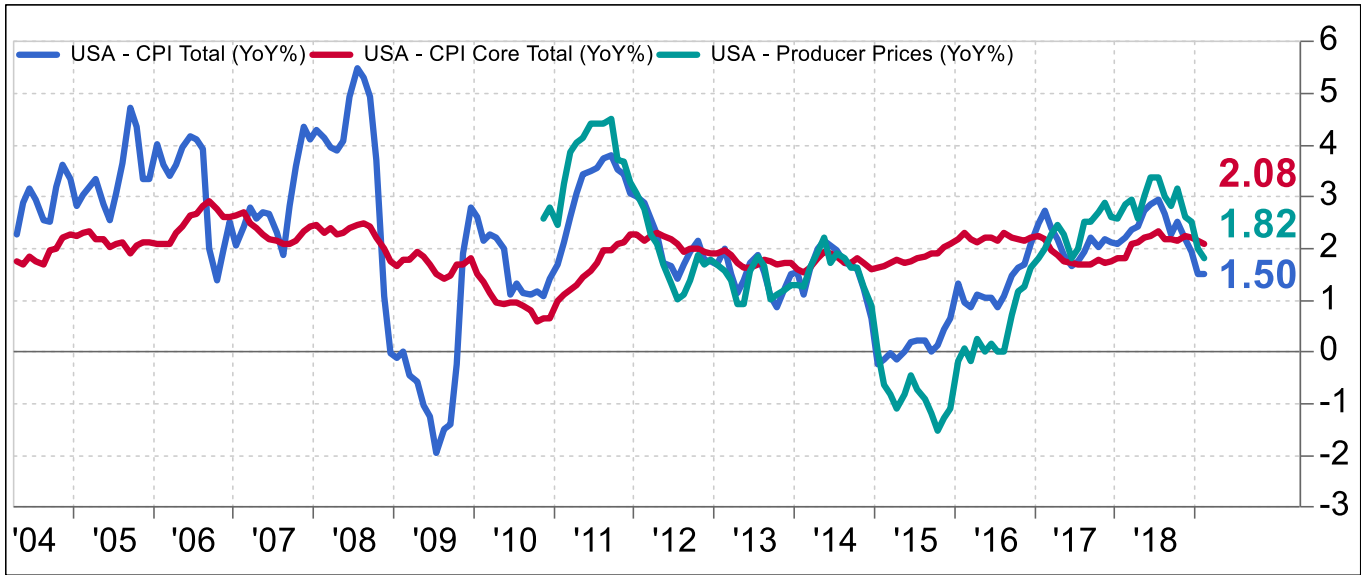
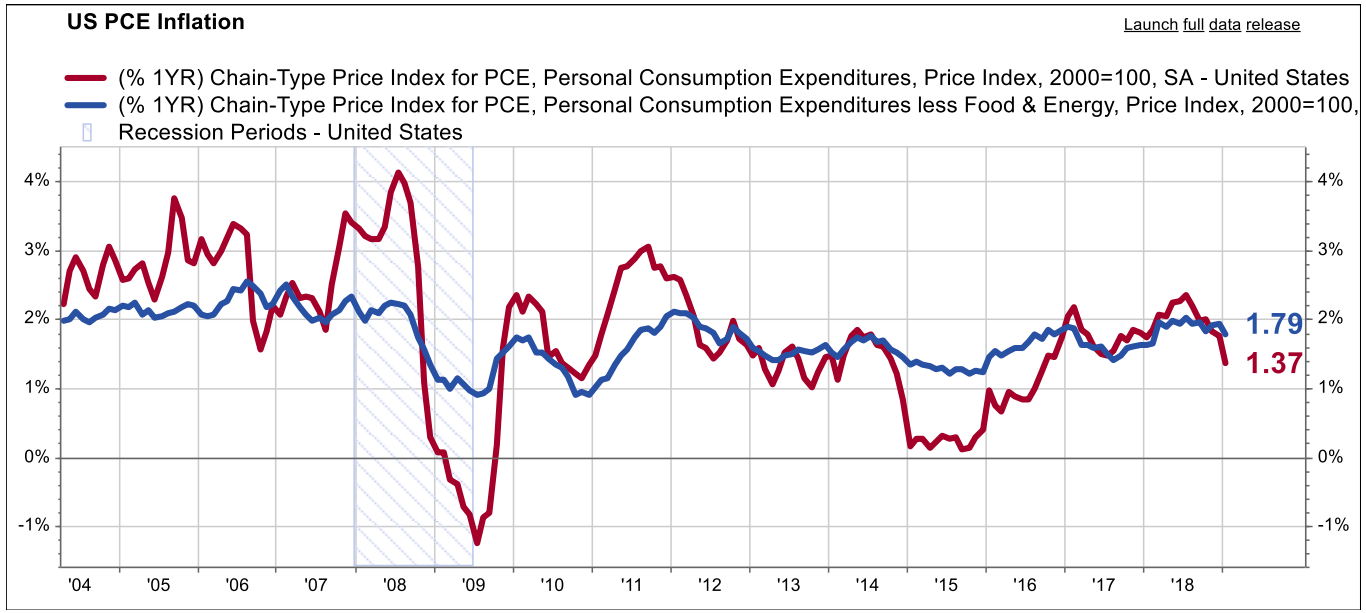




Unemployment continues to trend down. The only other time when unemployment has been under 4% for three consecutive months was January 1951-November 1953, February 1966-January 1970, and September 2000-December 2000. Real hourly wages have risen almost 2% since this time last year.

US Economy - Inflation





CPI inflation rates fell from February. The PCE Price Index, which the Fed uses to determine monetary policies, dropped 0.15% since February. Low inflation supports the Fed's policy of "no rate hike" in 2019.

US Economy - Monetary Policies

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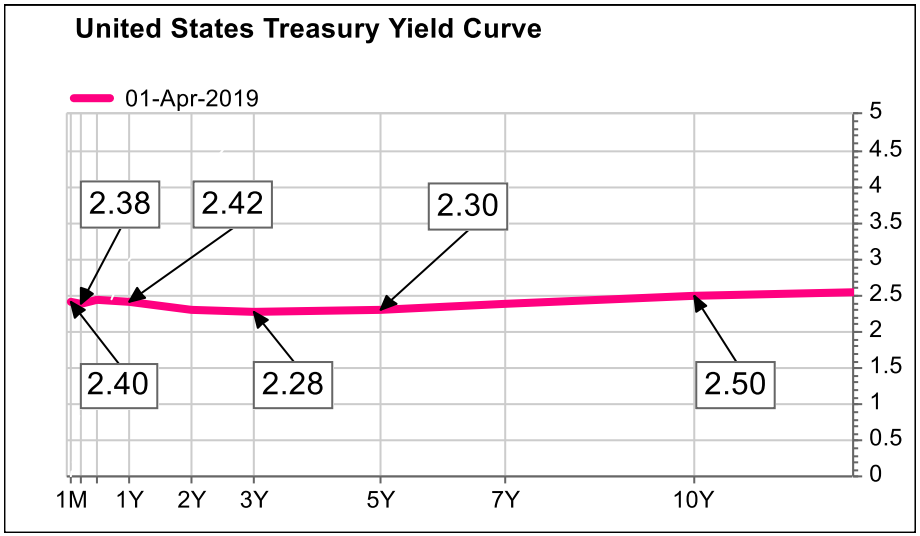
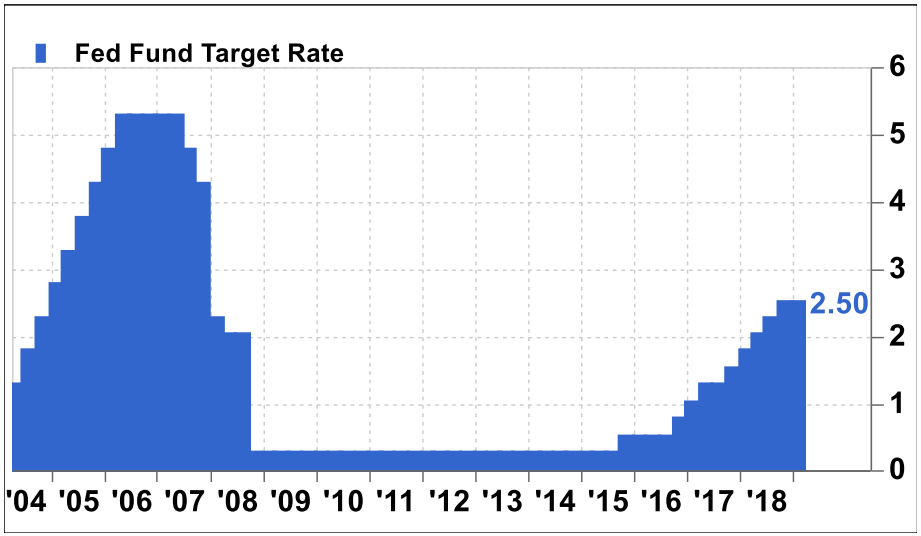
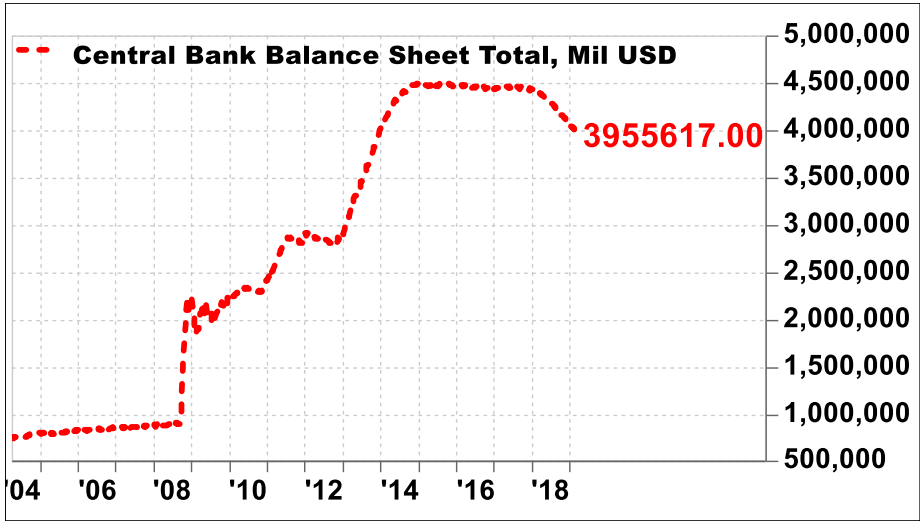
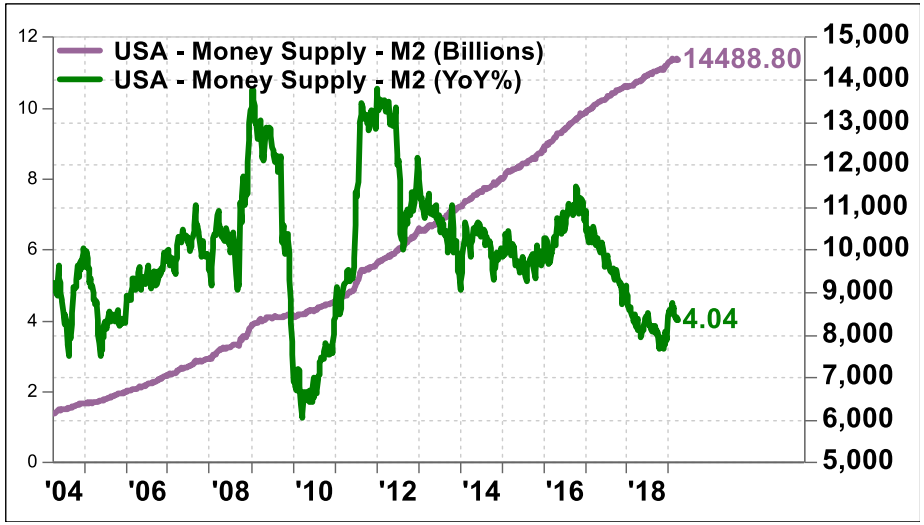


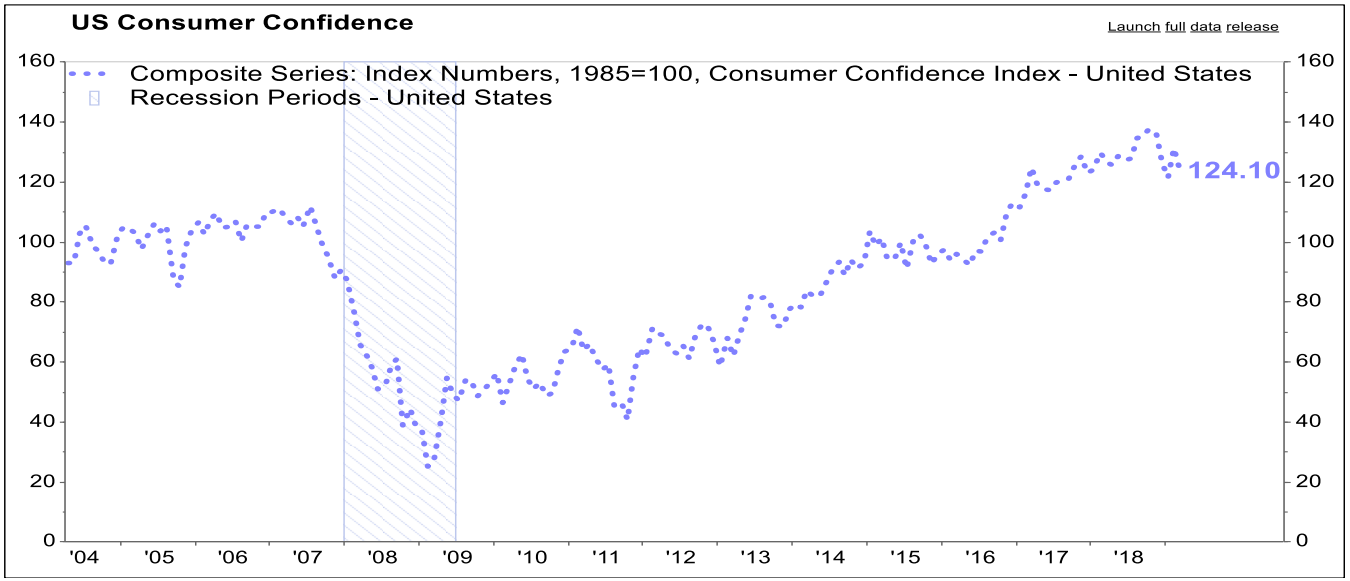


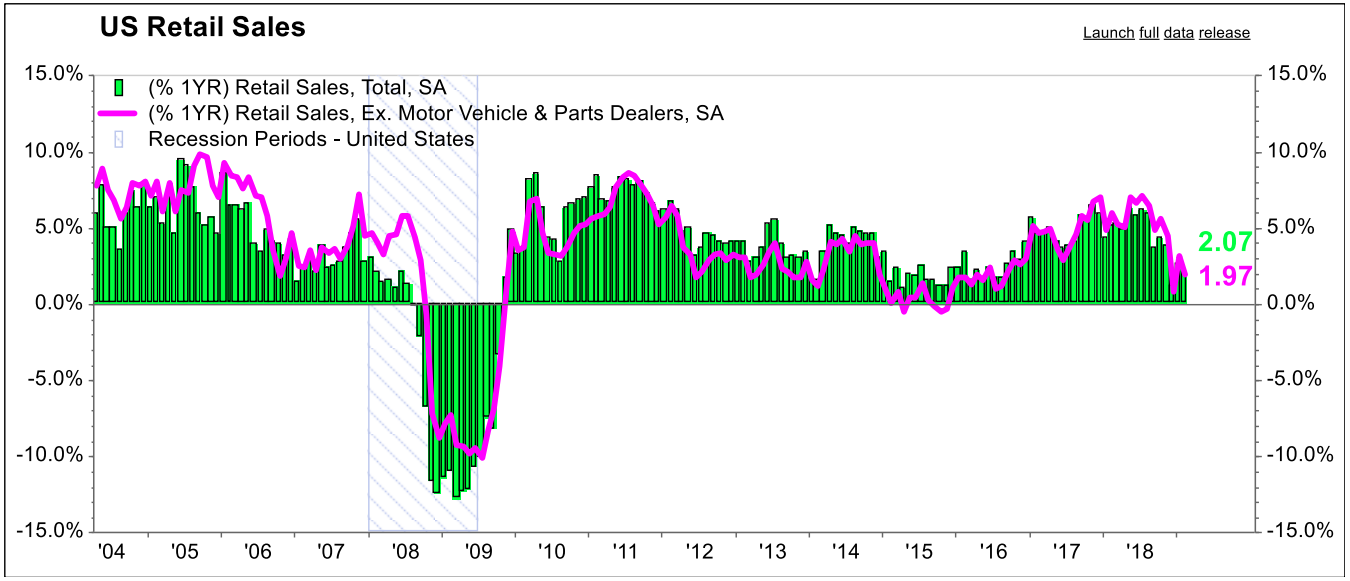




Yield curve inverted (10-year and 3-month) during the month, but quickly reverted back to positive. Fed Balance sheet shrunk by about $20 billion since February; the Fed continues to let Treasuries holdings mature without replacement.

US Economy - Consumption





Consumer confidence remains relatively strong, but has fallen off from the 2018 peak. Retail sales saw slight improvement on the month

US Economy- Industry

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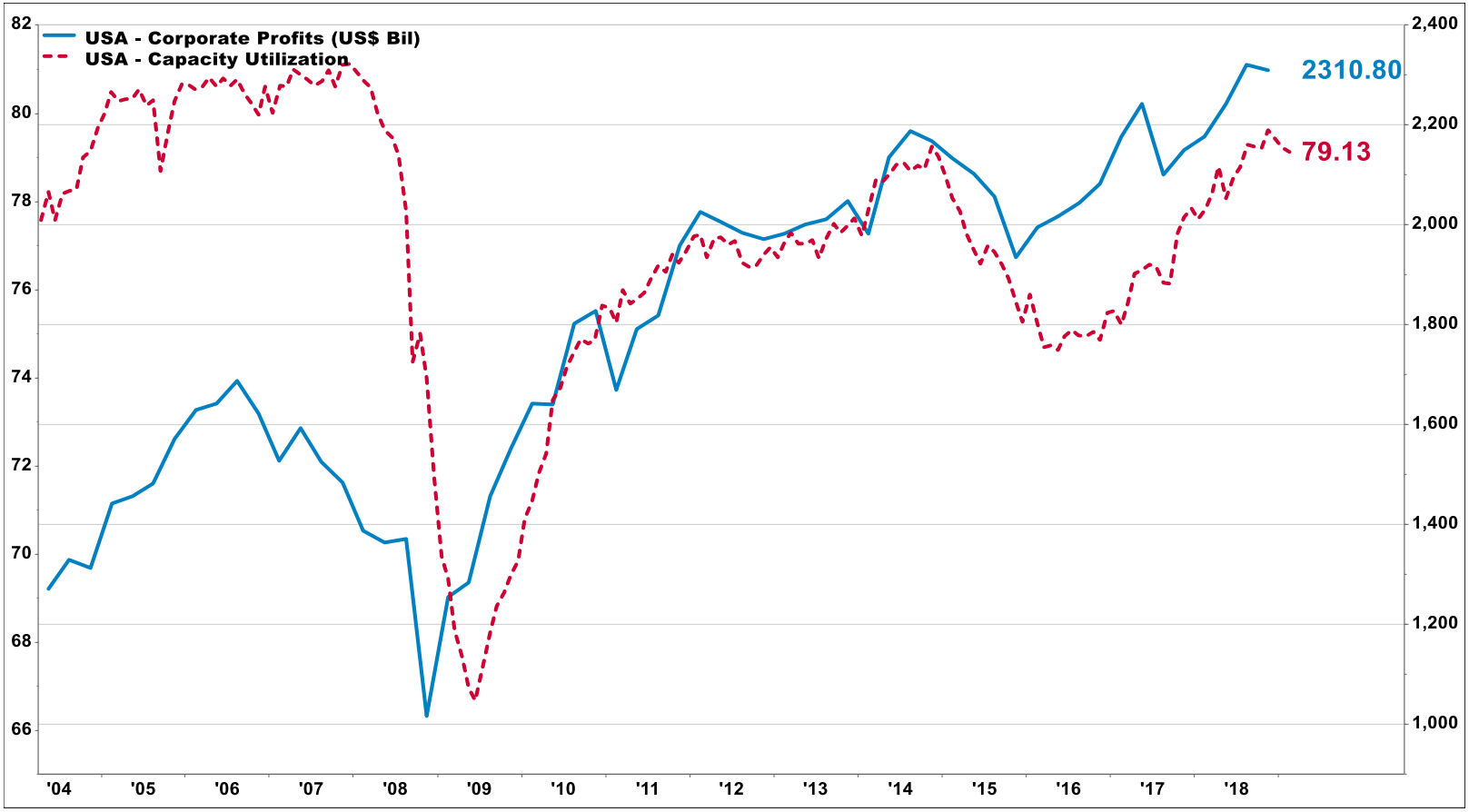
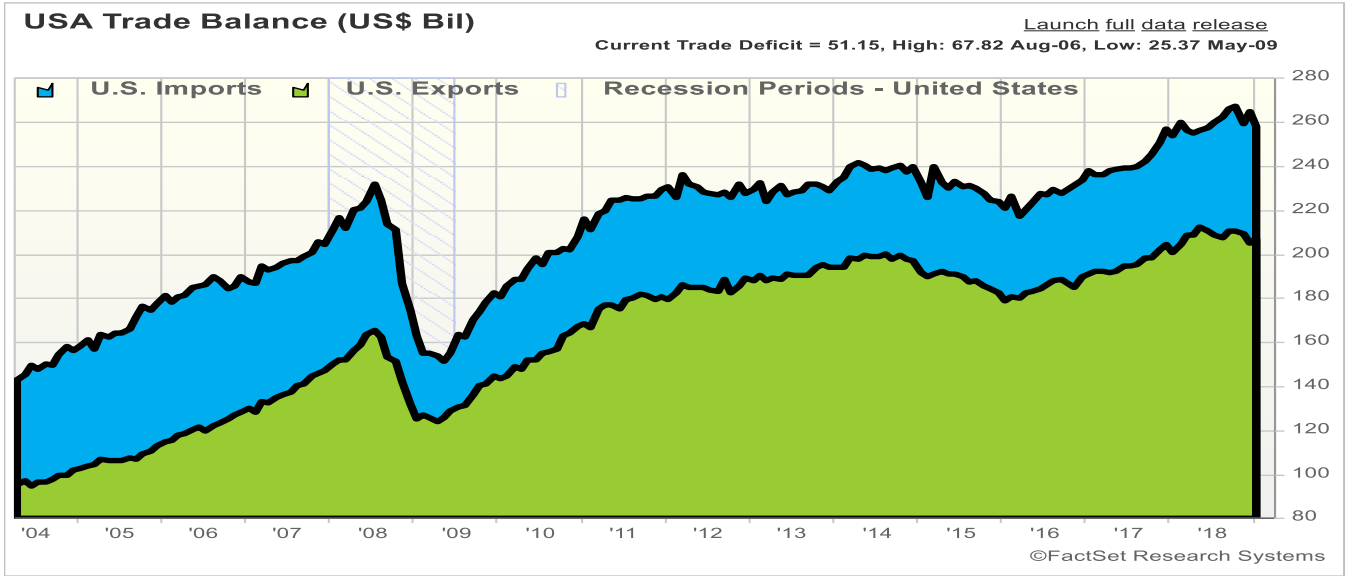
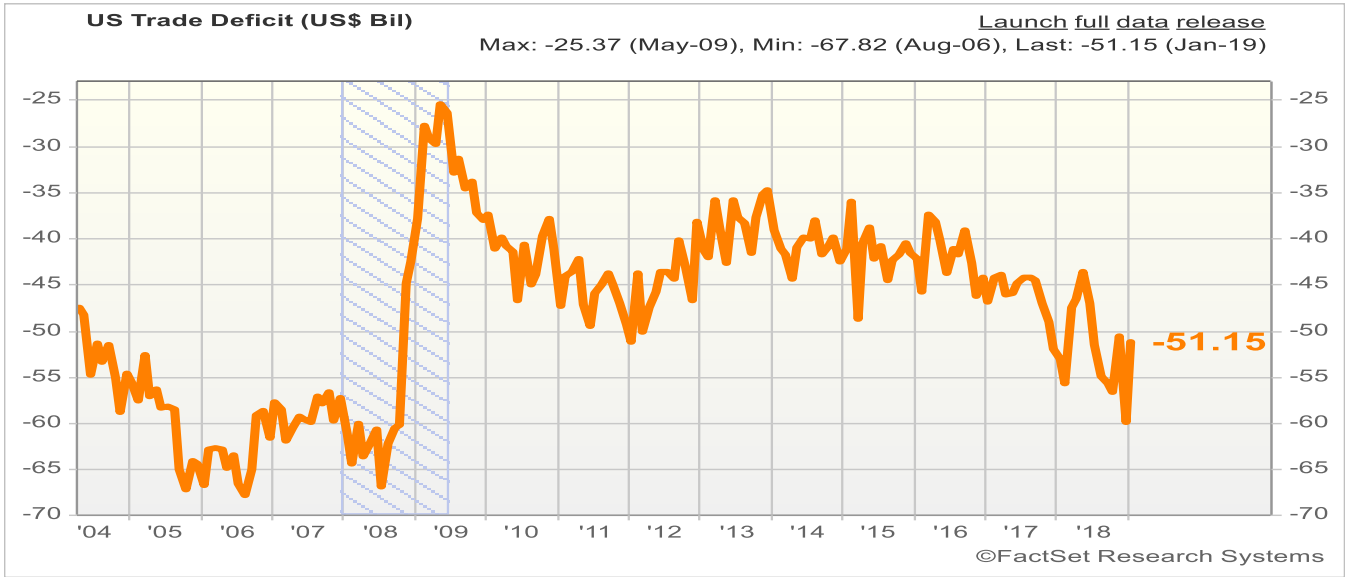


Corporate profits saw a slight decline from the last reported aggregate data in January. Capacity utilization rate increased about 1% since February.

US Economy – International Trade





The January trade deficit decreased in January to 51.1B from 59.9B in December.
The trade talks between US and China continued making progress. Recently China stopped a tariff increase on US automakers, and its trade delegation will be in Washington for meetings starting on 04/04.

US Economy – Housing Market

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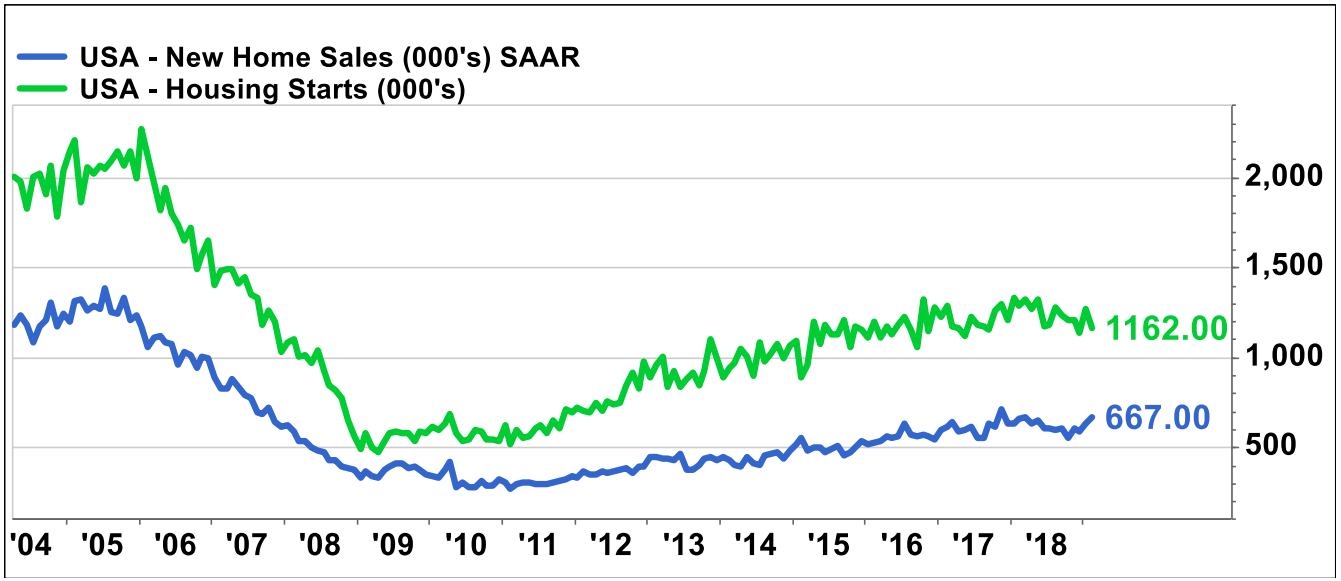

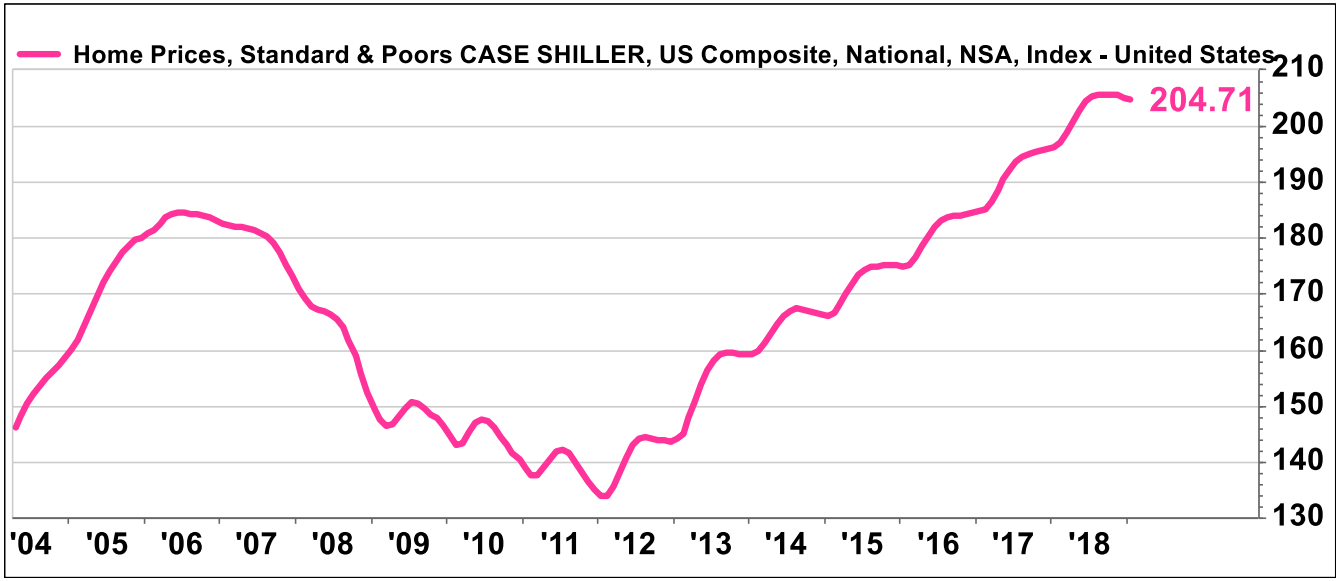

Home prices experienced a slight decline since February, giving hope that prices have peaked. Home sales and housing starts were up from February.

US Economy – Leading Indicators and Surveys

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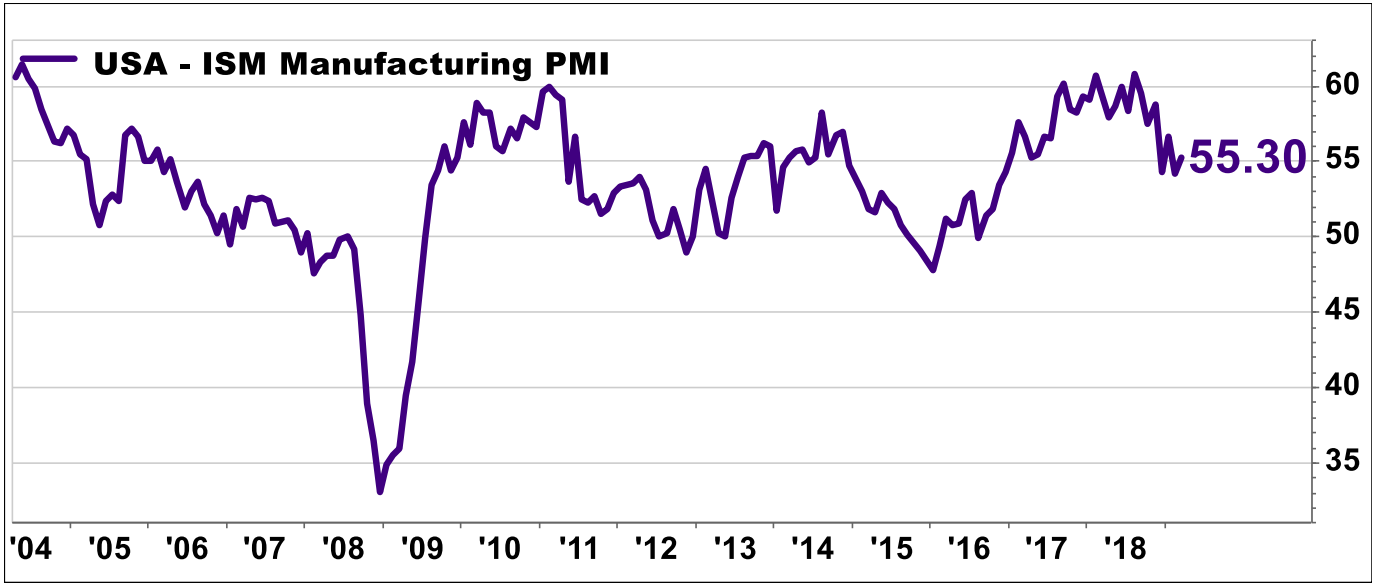

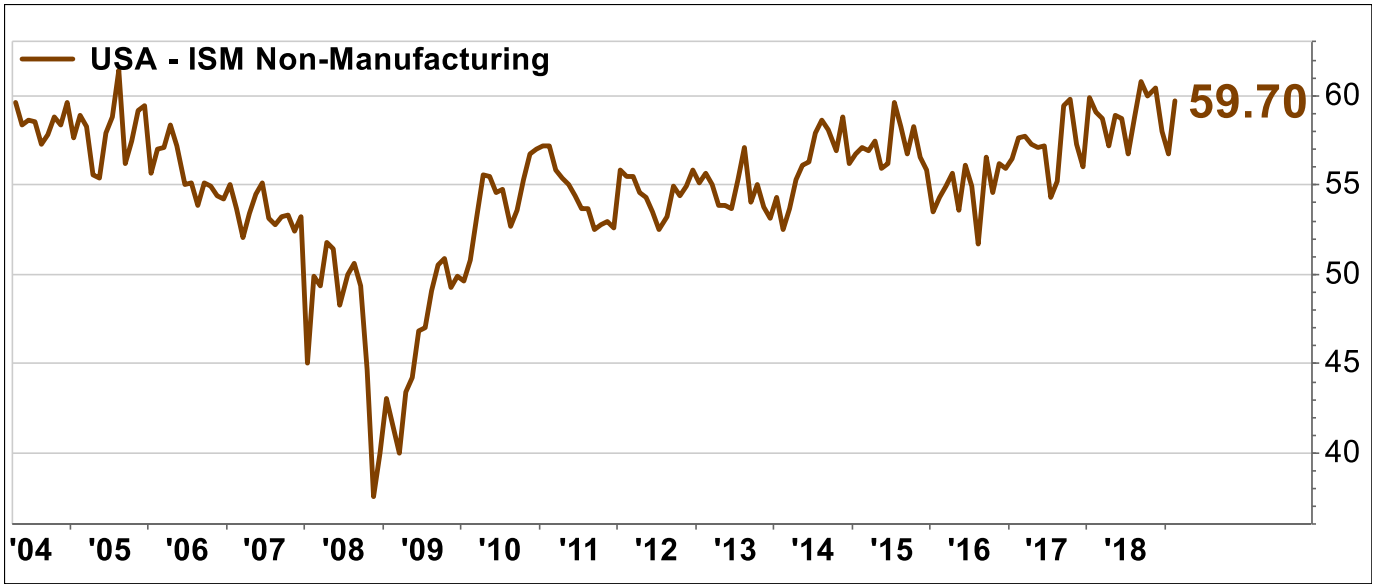

The purchasing manager (PMI) surveys showed improvements in both manufacturing and service sectors from February.

Asset Class Performance

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Sector/Asset Class	ETF	Trailing 1-month	Trailing 3-month	YTD	2018	2017	2016	2015	2014
US Large Cap	SPY	1.81%	13.52%	13.52%	-4.56%	21.70%	12.00%	1.25%	13.46%
US Small Cap	IWM	-2.09%	14.64%	14.64%	-11.11%	14.59%	21.60%	-4.47%	5.03%
Large Cap Value	IVE	1.02%	12.10%	12.10%	-9.19%	15.25%	17.31%	-3.29%	12.17%
Large Cap Growth	IVW	2.67%	14.79%	14.79%	-0.19%	27.22%	6.82%	5.37%	14.64%
Mid Cap Value	IWS	0.48%	14.28%	14.28%	-12.41%	13.15%	19.79%	-4.98%	14.39%
Mid Cap Growth	IWP	1.38%	19.52%	19.52%	-4.87%	24.94%	7.22%	-0.45%	11.69%
Small Cap Value	IWN	-2.83%	11.97%	11.97%	-12.99%	7.69%	31.98%	-7.72%	4.14%
Small Cap Growth	IWO	-1.28%	17.24%	17.24%	-9.42%	22.25%	11.68%	-1.34%	5.86%
International Equity	EFA	0.92%	10.34%	10.34%	-13.81%	25.10%	1.37%	-1.00%	-6.20%
Emerging Markets Equity	VWO	2.31%	11.77%	11.77%	-14.77%	31.48%	12.21%	-15.81%	-0.07%
US REITs	VNQ	4.21%	17.37%	17.37%	-6.02%	4.91%	8.60%	2.42%	30.36%
Infrastructure MLP	AMLP	3.51%	17.16%	17.16%	-12.62%	-7.92%	14.84%	-25.68%	4.83%
Gold	GLD	-1.60%	0.63%	0.63%	-1.94%	12.81%	8.03%	-10.67%	-2.19%
Commodity	DJP	-0.18%	6.79%	6.79%	-13.07%	0.74%	12.86%	-28.22%	-18.61%
High Yield Bond	JNK	1.28%	8.11%	8.11%	-3.27%	6.48%	14.43%	-6.77%	0.77%
Broad Bond	AGG	2.12%	2.94%	2.94%	0.10%	3.55%	2.41%	0.48%	6.00%
TIPs	TIP	1.98%	3.25%	3.25%	-1.42%	2.92%	4.68%	-1.75%	3.59%
Treasuries	IEF	2.66%	2.78%	2.78%	0.99%	2.55%	1.01%	1.51%	9.07%
Long Term Treasuries	TLT	5.57%	4.52%	4.52%	-1.61%	9.18%	1.18%	-1.79%	27.30%
Short Term Treasuries	SHV	0.22%	0.63%	0.63%	1.72%	0.67%	0.41%	0.00%	0.00%

Note: As of March 31, 2019. Data source: FactSet

In March, small cap performance dragged down US equities. Long term treasuries saw a significant increase since February and led the way for bonds.

US Sector Performance

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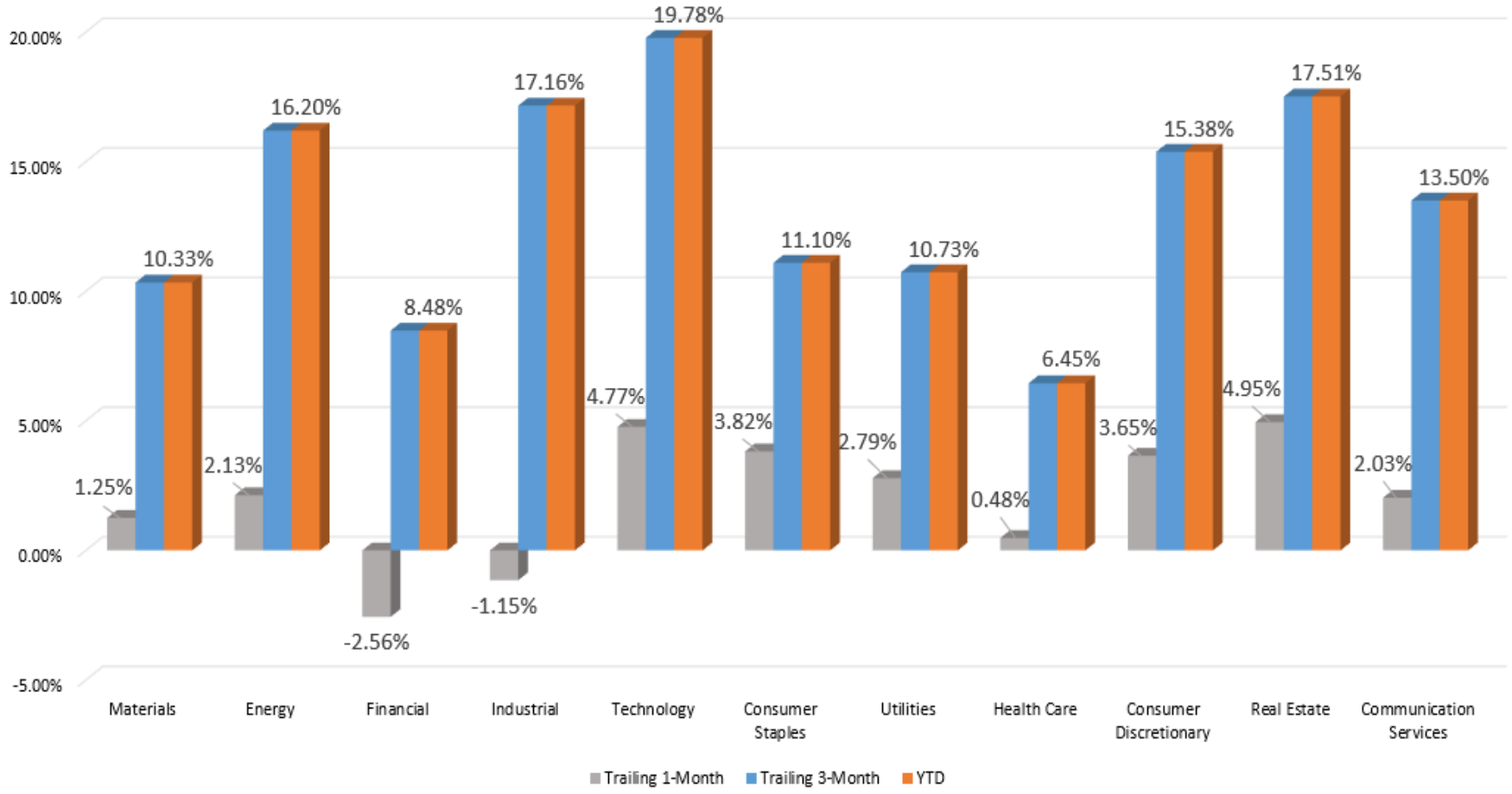

Note: As of March 31, 2019. Data source: FactSet

In March, Real Estate and Technology led the way as Financials were hurt by a flattening yield curve and lower interest rates.

US Equity Market Fundamentals

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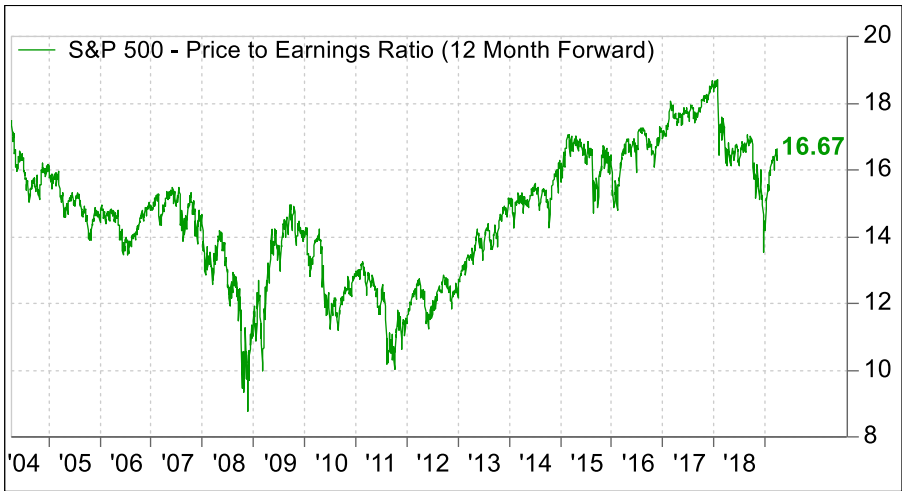

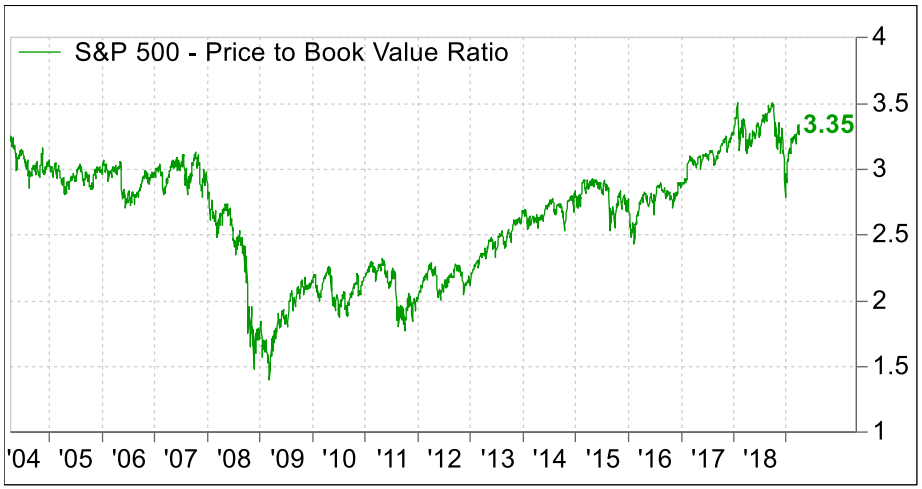

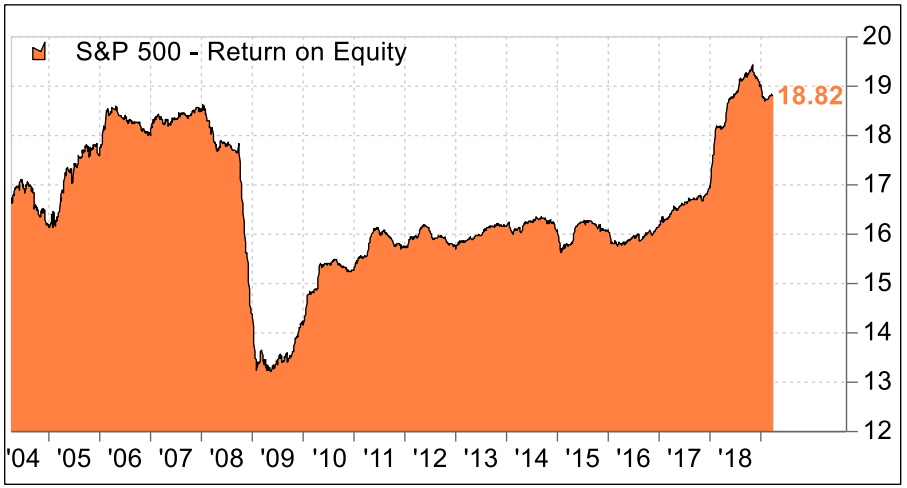

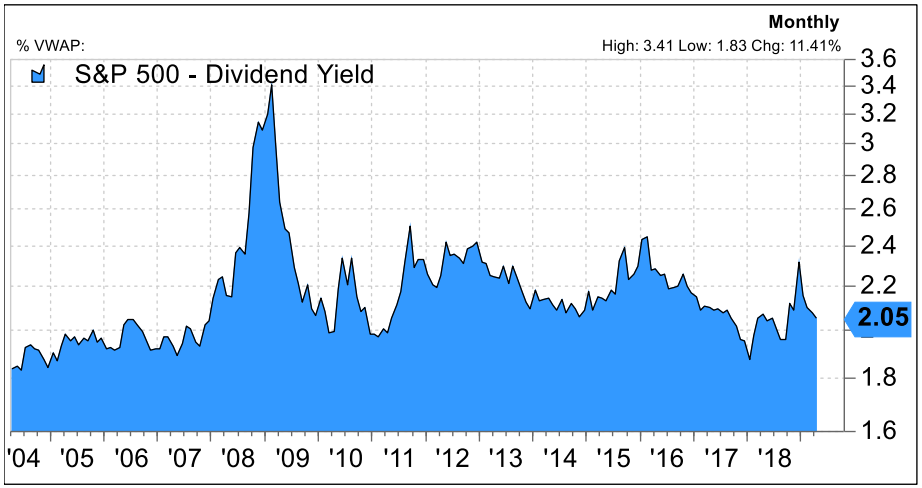

Valuations saw a slight uptick on the month.

US Equity Trends

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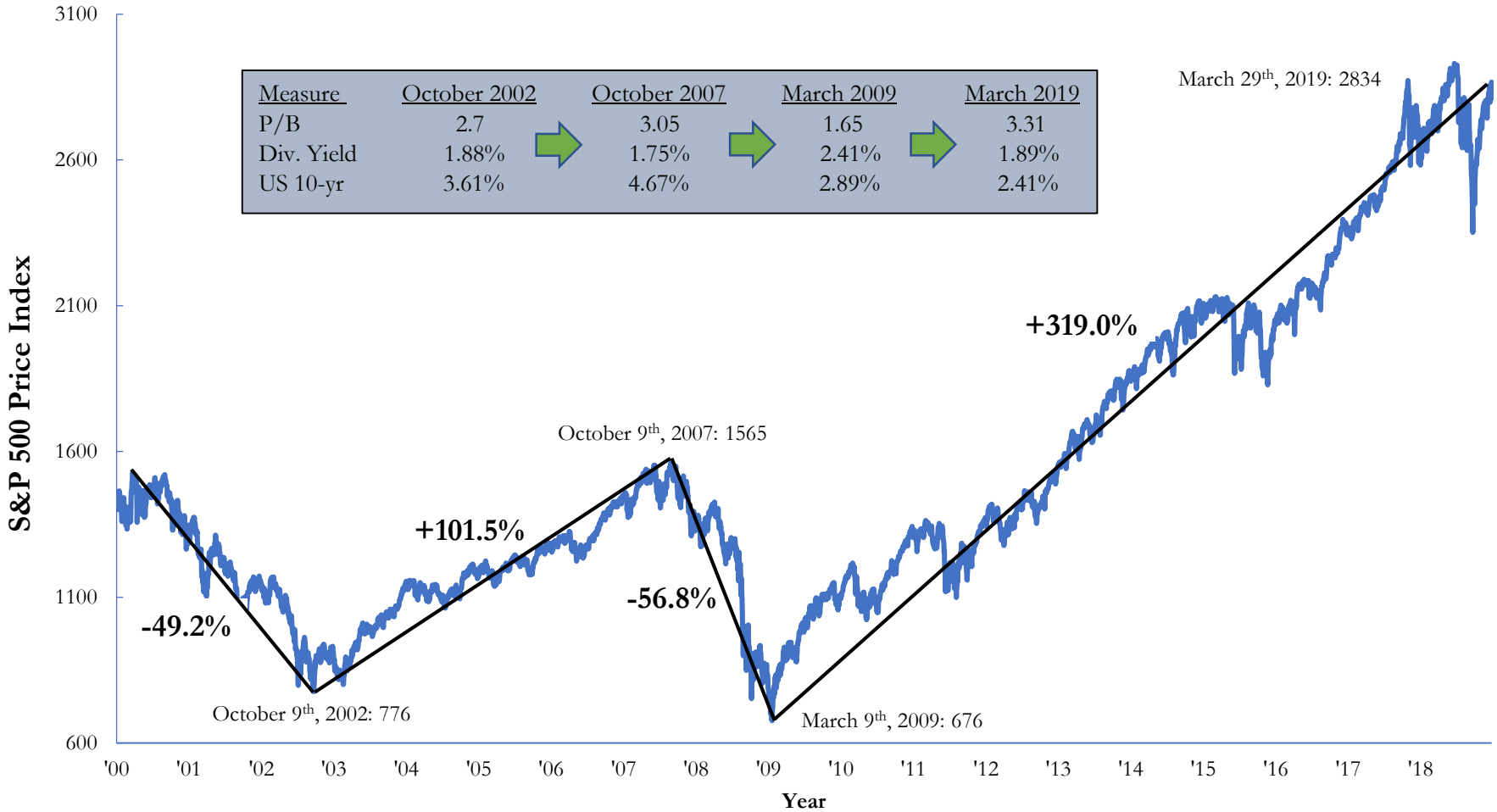
Measure	October 2002	October 2007	March 2009	March 2019
P/B	2.7	3.05	1.65	3.31
Div. Yield	1.88%	1.75%	2.41%	1.89%
US 10-yr	3.61%	4.67%	2.89%	2.41%



Note: Quarterly Aggregate Data. Data Source: FactSet and www.treasury.gov

Global Equity Performance - Country Comparison

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Trailing 1-month	Trailing 3-month	2018	2017	2016	2015	2014
India 9.69%	China 18.64%	Brazil -2.56%	China 54.68%	Brazil 64.47%	Japan 9.16%	India 27.86%
China 2.83%	Canada 15.35%	India -4.29%	India 36.15%	Canada 23.82%	Italy 3.12%	United States 13.46%
Italy 2.36%	Italy 14.79%	United States -4.50%	France 29.13%	United States 12%	United States 1.25%	China 6.81%
United States 1.8%	United States 13.52%	France -12.88%	Italy 28.73%	France 4.90%	France 0.24%	Canada 1.08%
England 1.35%	England 12.47%	Japan -14.09%	Germany 27.45%	Germany 3.60%	Germany -2.79%	Japan -6.22%
Japan 0.66%	France 11.12%	England -14.28%	Spain 26.99%	Japan 2.78%	England -7.03%	Spain -6.28%
France 0.41%	Japan 7.95%	Spain -15.32%	Japan 24.27%	India 1.03%	India -8.57%	England -7.61%
Canada -0.75%	India 7.36%	Canada -17.16%	Brazil 23.66%	China -0.32%	China -8.99%	France -10.76%
Germany -1.39%	Brazil 7.30%	Italy -17.19%	United States 21.70%	England -1.23%	Spain -15.51%	Italy -10.93%
Spain -1.62%	Spain 6.67%	China -19.77%	England 21.59%	Spain -1.81%	Canada -23.91%	Germany -11.96%
Brazil -4.67%	Germany 6.19%	Germany -21.37%	Canada 15.74%	Italy -8.55%	Brazil -41.74%	Brazil -15.52%
Emerging Markets 1.15%	Developed Markets 10.34%	Developed Markets -13.81%	Emerging Markets 37.40%	Emerging Markets 10.29%	Developed Markets -1.00%	Emerging Markets -3.44%
Developed Markets 0.92%	Emerging Markets 9.67%	Emerging Markets -14.93%	Developed Markets 25.10%	Developed Markets 1.37%	Emerging Markets -14.31%	Developed Markets -6.20%

Note: As of March 31, 2019. Data source: FactSet. Numbers reflective of ETF performance.

Global Equity- Major Indices

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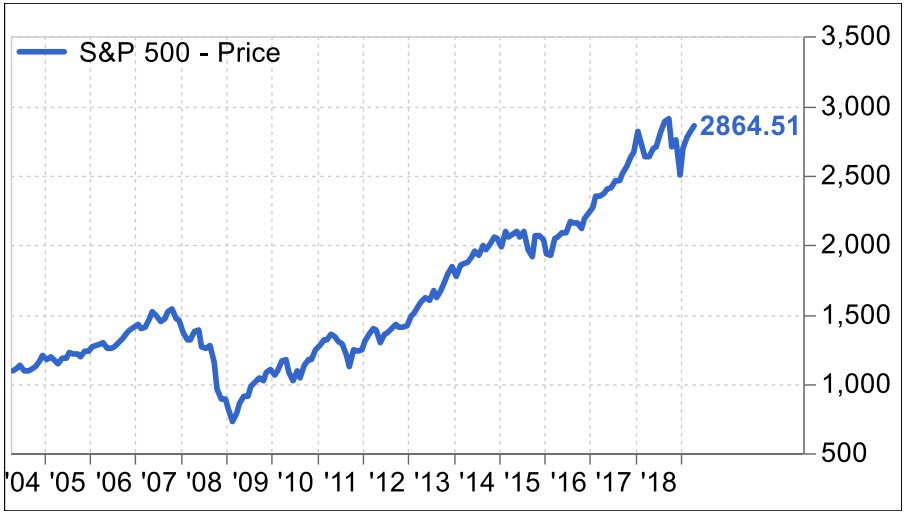

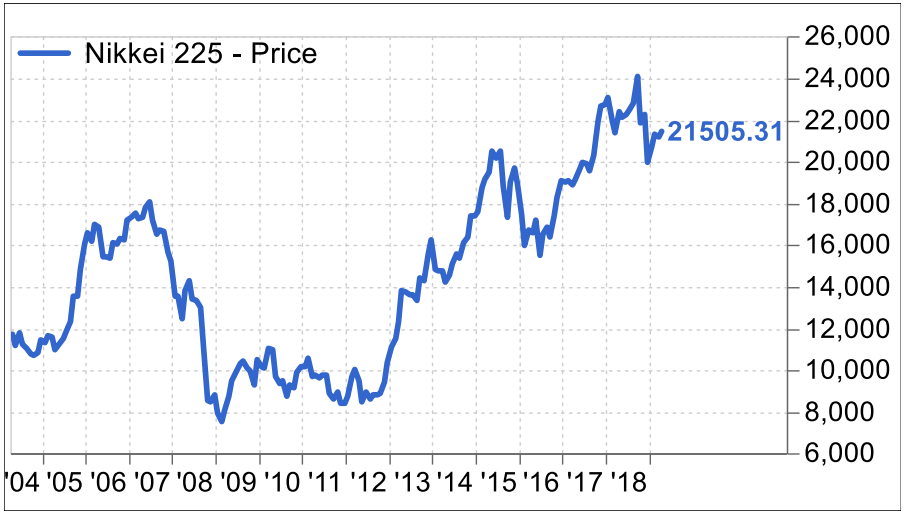

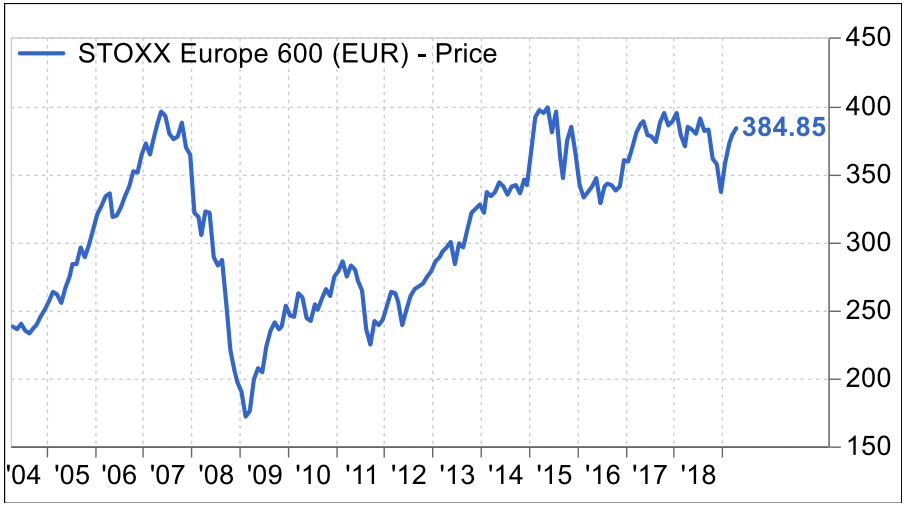

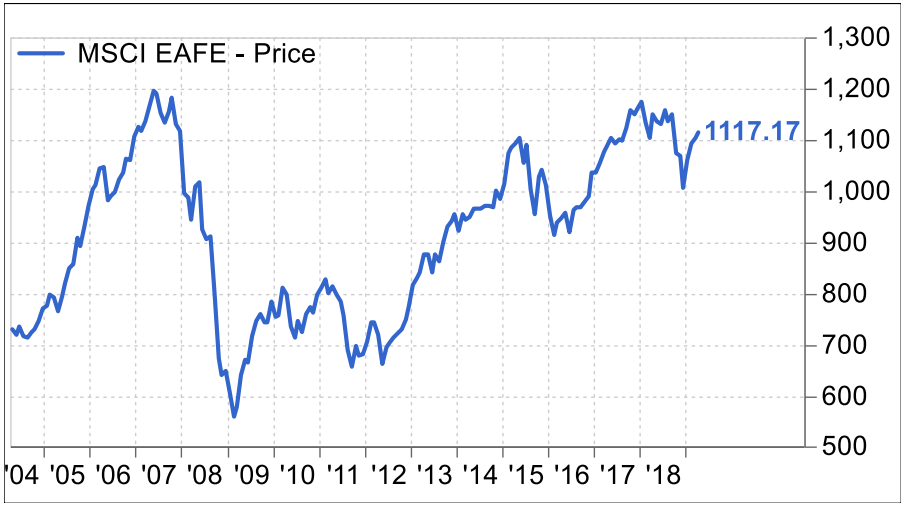

Global Equity - Major Indices

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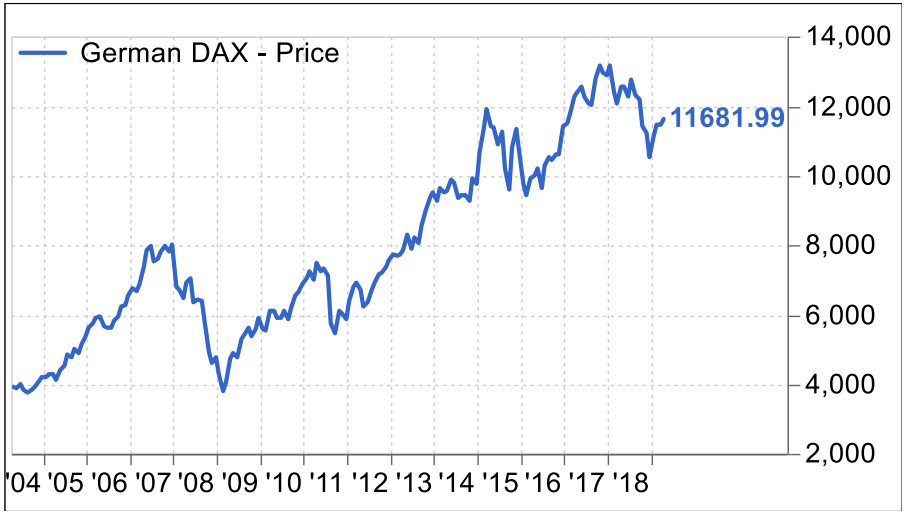

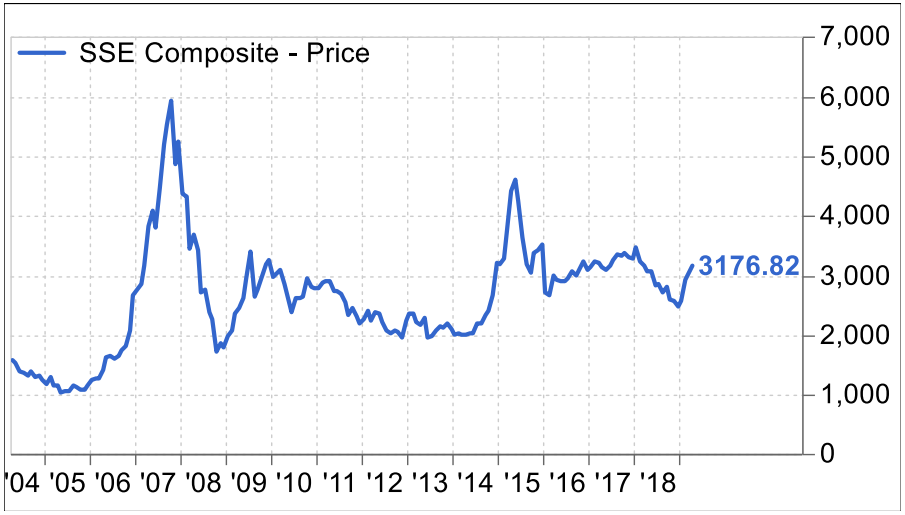

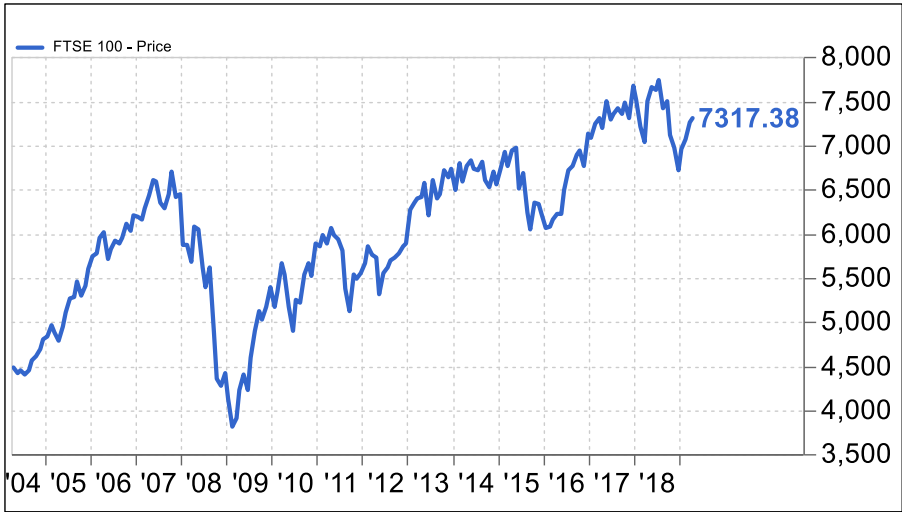

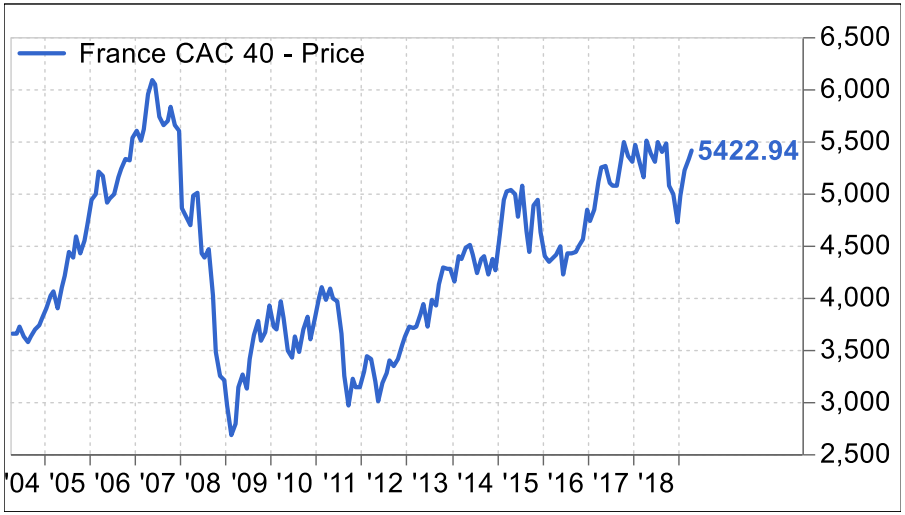

Global Fixed Income- Government Yields

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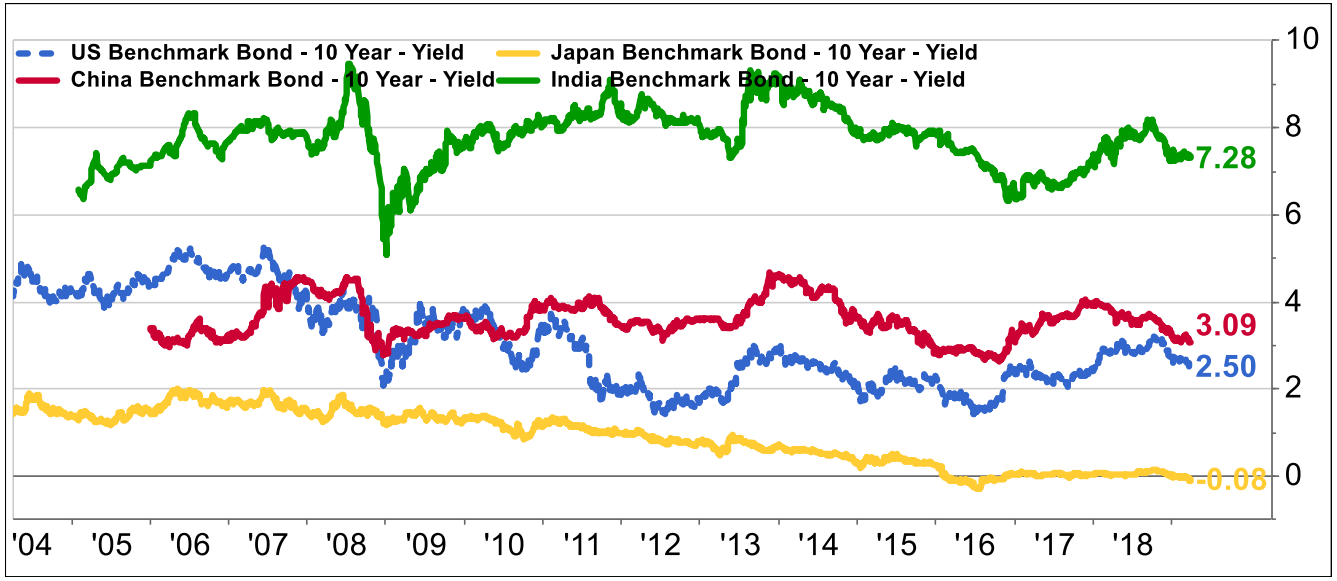

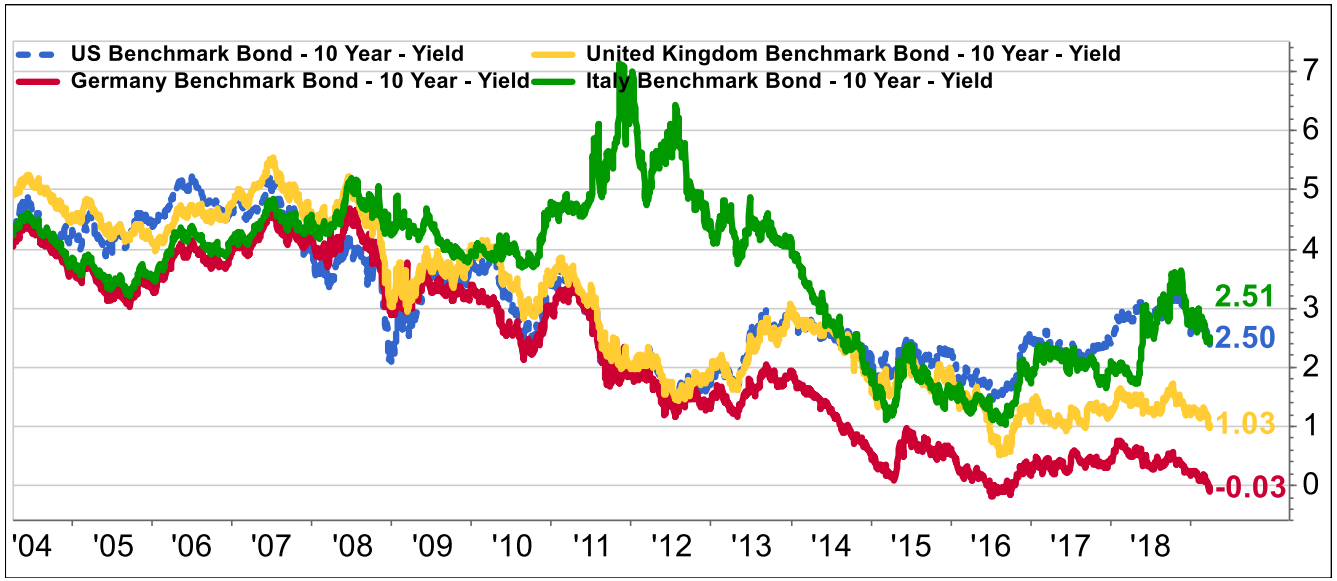

US government bond yields are among the highest of major developed economies. German and Japanese yields went negative in March.

Credit Market - Corporate Spreads

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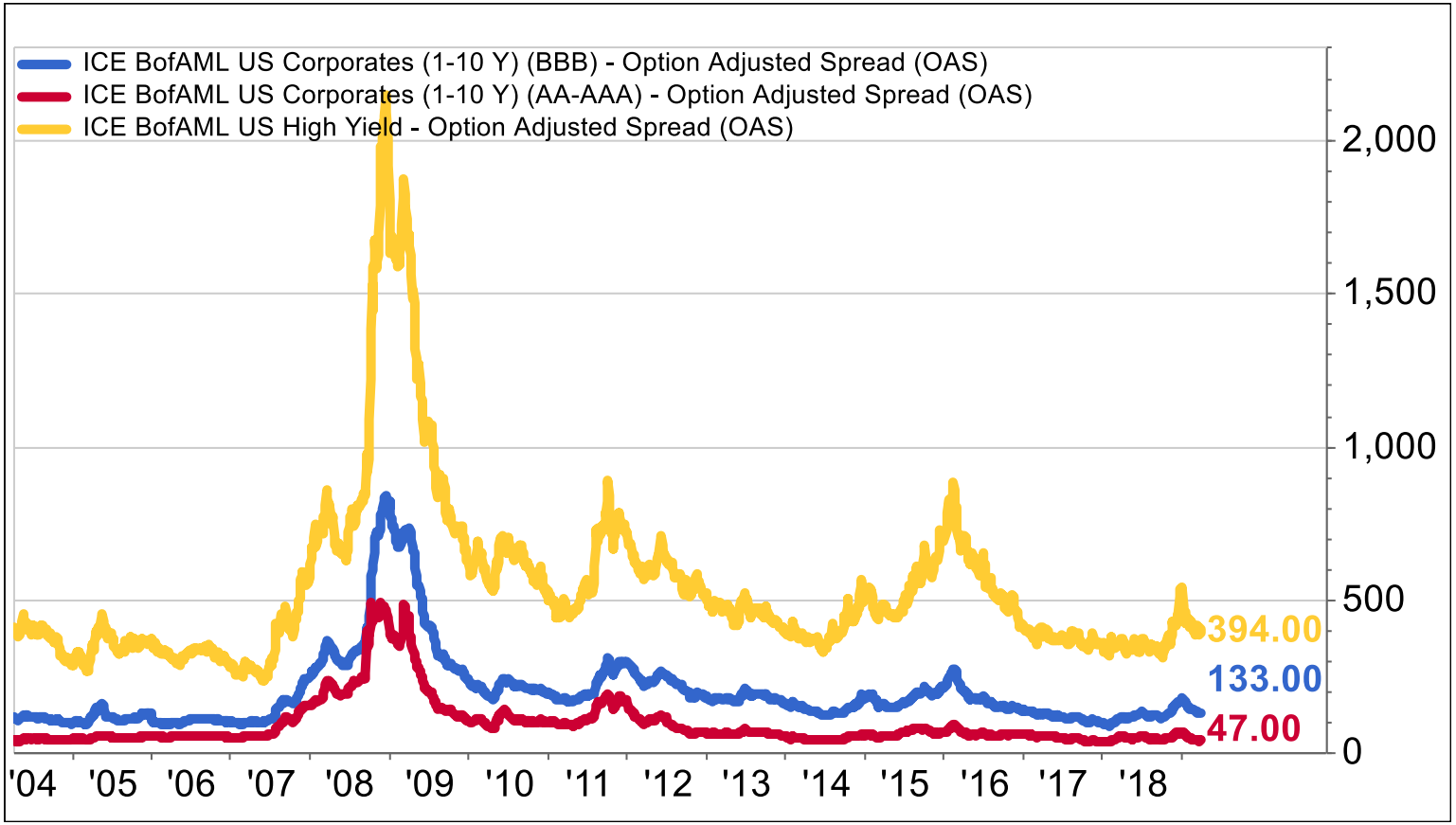

Spreads across investment-grade and junk bonds continue moving lower.

Commodities

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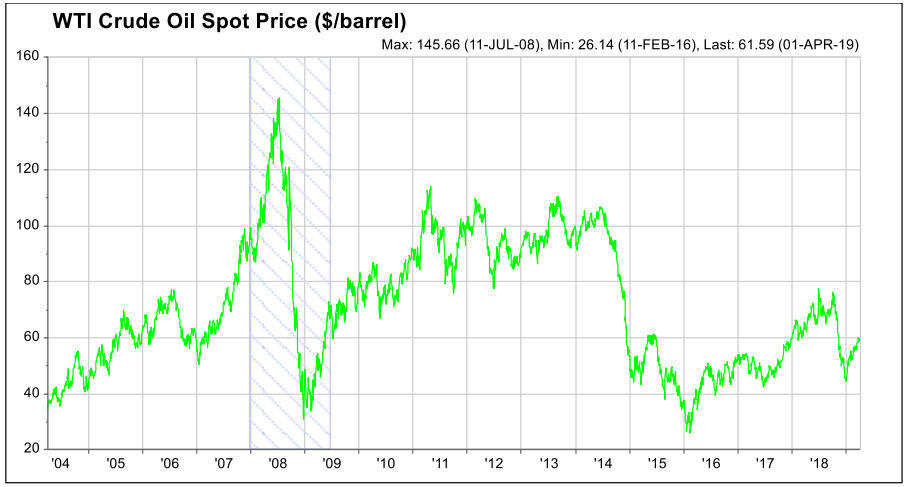

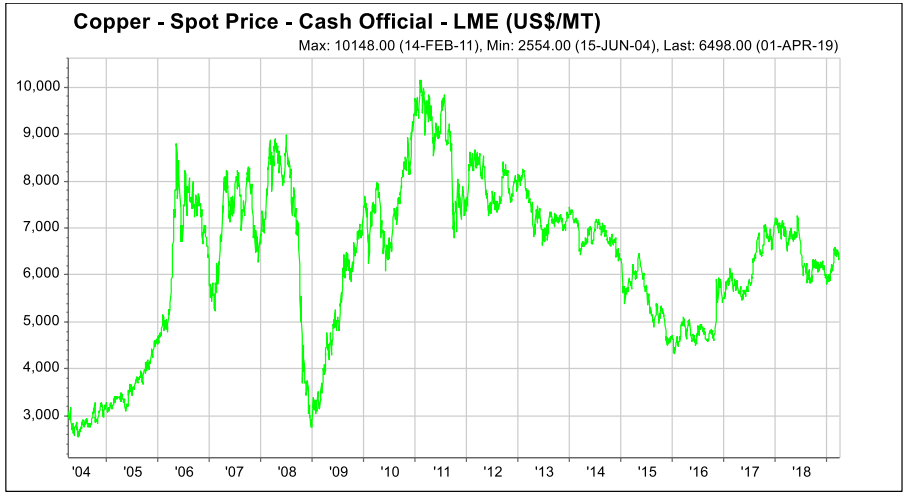

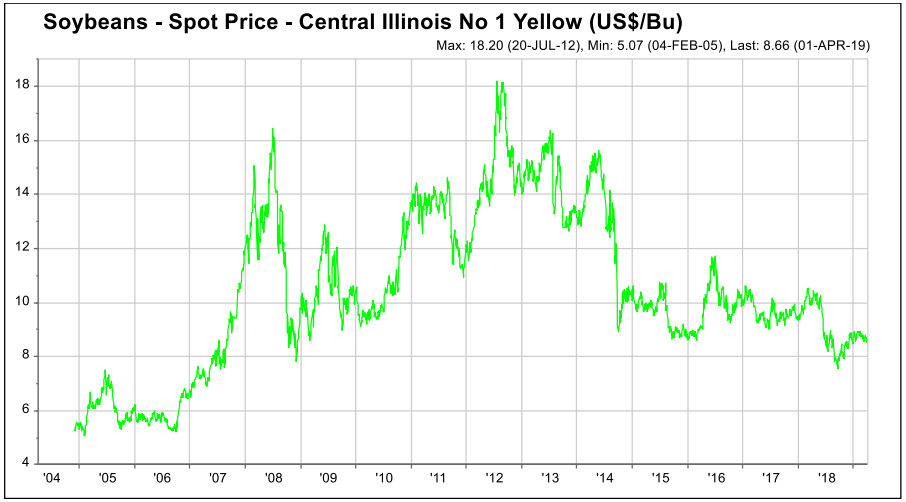

As of 3/31/2019, WTI Crude: $60.17/Barrel; Gold: $1295.40/Troy Oz; Copper: $6485.00/MT; Soybean: $8.54/Bu

Foreign Exchange

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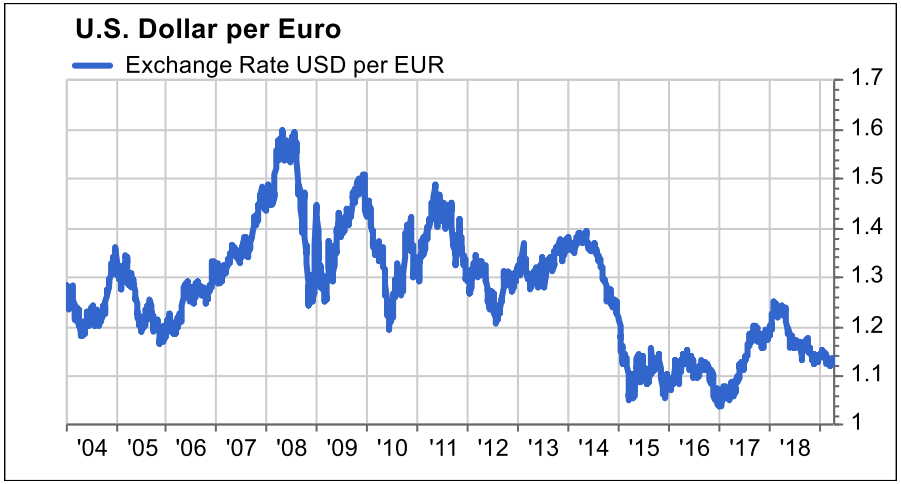

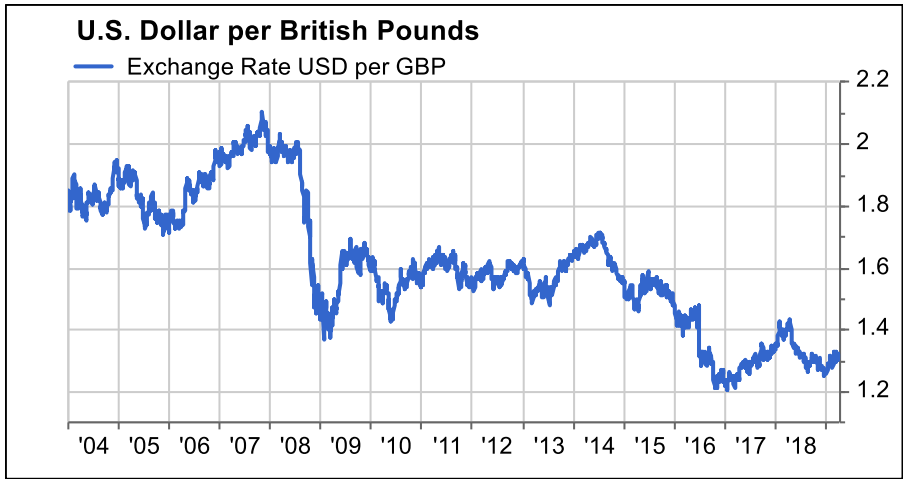

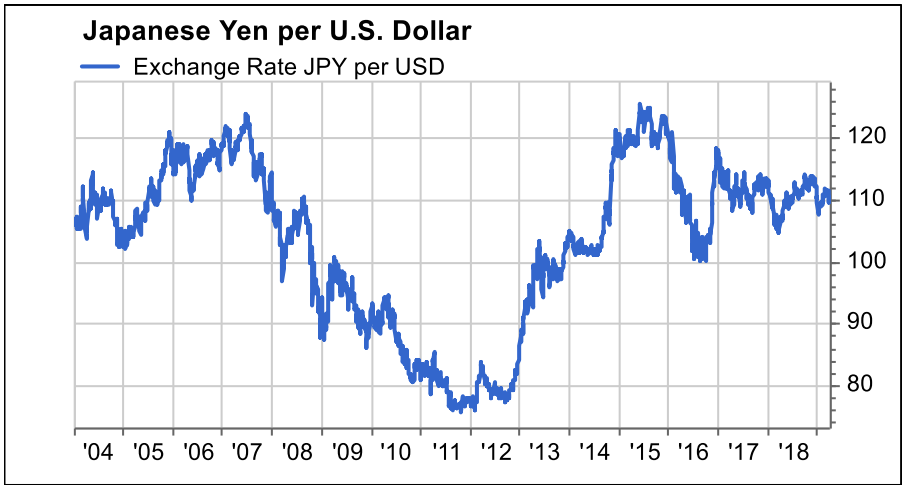

As of 3/31/19, FX rates are: 1.12 USD/EUR, 1.30 USD/GBP, 110.69 JPY/USD, 1.34 CAD/USD.

Disclosures

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