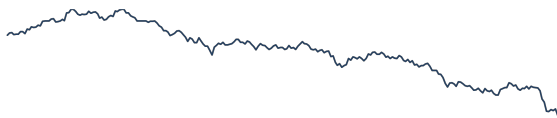


Look Back

- New Zealand's central bank cut their key interest rate by 50 bps amidst global central bank dovish posturing
- Last week's U.S. Treasury bond and note auctions demand weaker than expected
- Hong Kong protestors occupied the city's int'l airport, forced flight cancellations

US 10 Year | 1Y



The recent rally in U.S. Treasuries has pushed yields across much of the curve to near-3 year lows. The magnitude of U.S. yields' move yesterday was startling given the lack of new developments on the U.S.-China trade front, which has become the market's primary focus between Fed meetings. There is broad-based appetite for safe-haven assets like high-grade U.S. fixed income. The demand is based on expectations of further central bank easing and generally decelerating growth on a global scale. This week is full of corporate earnings announcements (WMT, M, CSCO) and major economic data releases (CPI, Retail Sales) that wield market-moving power. Geopolitical unrest in Hong Kong added to the angst in risk markets, dragging on Asian equities which seemed to spill over into U.S. markets yesterday morning. Trading remains thin and jittery, subject to the seasonal challenges that come with the summer months. Thus, the risk-off bias appears poised to continue in the near-term.

-Chip Hughey, CFA

Head of Fixed Income Strategy and Services



Sterling Advisors

Index Returns %

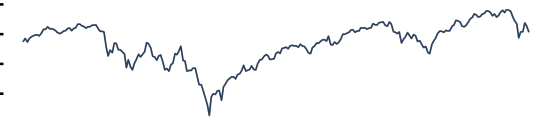
| Equity | Level | 1w | QTD | YTD | 1Y | Δ-1w |
|--------------|-------|------|-------|-------|--------|------|
| S&P 500 | 2883 | 1.42 | -1.78 | 16.43 | 3.83 | |
| Dow Jones | 25898 | 0.86 | -2.36 | 12.68 | 4.75 | |
| Nasdaq | 7863 | 1.84 | -1.68 | 19.29 | 1.45 | |
| Russell 2000 | 1493 | 0.43 | -4.57 | 11.62 | -10.23 | |
| MSCI EAFE | 1839 | 0.43 | -4.17 | 9.76 | -2.32 | |
| MSCI EM | 974 | 0.20 | -7.05 | 2.94 | -5.59 | |

| Fixed Income | Yield % | 1w | QTD | YTD | 1Y | Δ-1w |
|--------------|---------|-------|-------|-------|-------|------|
| US Aggregate | 2.23 | 0.55 | 2.03 | 8.26 | 9.46 | |
| US Credit | 2.92 | 0.87 | 2.61 | 12.72 | 12.24 | |
| Global HY | 6.25 | -0.40 | -0.93 | 8.47 | 6.19 | |
| Municipals | 1.68 | 0.48 | 2.01 | 7.21 | 8.53 | |

Look Ahead

- U.S. CPI and Retail Sales offer key data points today and Thursday, respectively
- Q2 earnings season continues with Walmart, Macy's and Cisco reporting
- As trade uncertainty looms, important data internationally will include German Q2 GDP and Chinese Industrial production updates

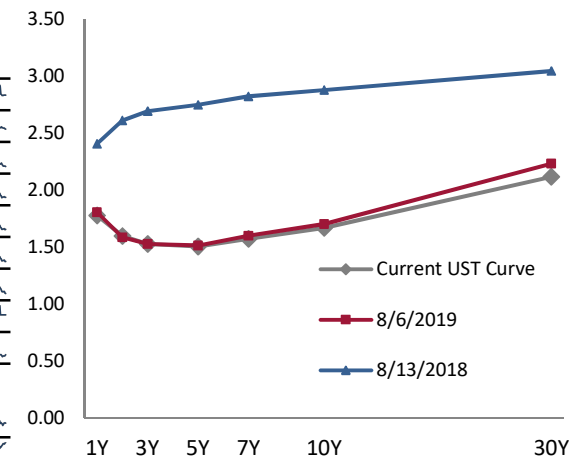
S&P 500 INDEX | 1Y



| Benchmark Rates | Levels | | | | 1Y Trend |
|-----------------|----------|----------|----------|----------|----------|
| | 08/12/19 | 08/05/19 | 07/15/19 | 08/13/18 | |
| Fed Fuds | 2.11 | 2.10 | 2.37 | 1.90 | |
| 1-Month Libor | 2.19 | 2.22 | 2.31 | 2.06 | |
| 3-Month Libor | 2.18 | 2.21 | 2.30 | 2.31 | |
| 2Y US Treasury | 1.58 | 1.57 | 1.83 | 2.64 | |
| 5Y US Treasury | 1.49 | 1.52 | 1.84 | 2.77 | |
| 10Y US Treasury | 1.65 | 1.71 | 2.09 | 2.90 | |
| 30Y US Treasury | 2.13 | 2.25 | 2.61 | 3.07 | |
| Prime Rate | 5.25 | 5.25 | 5.50 | 5.00 | |
| 30Y Fixed Mtge | 3.88 | 3.77 | 3.83 | 0.00 | |

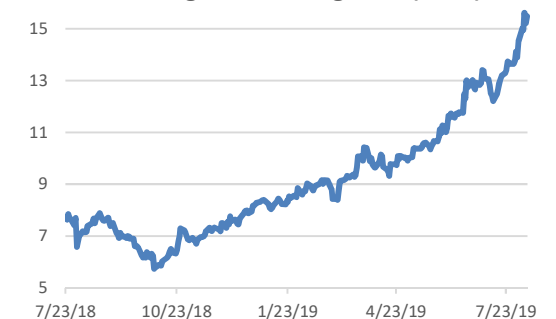
| Commodities | 08/12/19 | 08/05/19 | 07/15/19 | 08/13/18 | 1Y Trend |
|-------------|----------|----------|----------|----------|----------|
| WTI Crude | 54.93 | 53.63 | 57.74 | 63.25 | |
| Gold | 1511.19 | 1463.78 | 1414.14 | 1194.12 | |

| Currency | 08/12/19 | 08/05/19 | 07/15/19 | 08/13/18 | 1Y Trend |
|----------------|----------|----------|----------|----------|----------|
| \$ USD Index | 97.38 | 97.52 | 96.93 | 96.73 | |
| ¥ JPY | 105.30 | 105.95 | 107.91 | 111.15 | |
| € EUR | 1.12 | 1.12 | 1.13 | 1.13 | |
| £ GBP | 1.21 | 1.21 | 1.25 | 1.27 | |



| U.S. Eco Data | Levels | | | | 1Y Trend |
|---------------|--------|----------|----------|----------|----------|
| | Latest | Previous | 1Y Trend | 1Y Trend | |
| GDP | 2.10 | 06/30/19 | 3.10 | 03/31/19 | |
| Core PCE | 1.60 | 06/30/19 | 1.49 | 05/31/19 | |
| NFP | 164K | 07/31/19 | 193K | 06/30/19 | |
| Avg Hrly Earn | 3.20 | 07/31/19 | 3.10 | 06/30/19 | |
| ECI | 2.70 | 06/30/19 | 2.90 | 12/31/18 | |

[Weekly Chart] Global Negative Yielding Debt (\$Tril.)



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