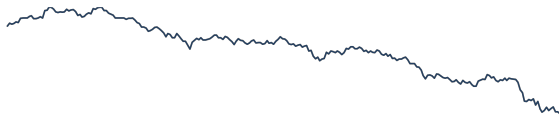


## Look Back

- The U.S.-China trade drama thickened with each side announcing increased tariffs on Friday
- Fed Chair Jerome Powell spoke at Jackson Hole, WY; discussed challenges of monetary policy in era of slow growth, sluggish inflation, low rates
- The 2 Year/10 Year U.S. Treasury curve officially inverted last night for first time since 2007

US 10 Year | 1Y



One of Fed Chair Powell's most hotly anticipated appearances of his tenure took place on Friday morning from Jackson Hole, WY. Powell did well to address the challenges created by trade uncertainty while conveying a willingness to respond appropriately to rising threats. However, a tumultuous day in geopolitics cast a pall over the day. President Xi unveiled a fresh round of tariffs on \$75 billion of U.S. goods to which President Trump vowed to retaliate (and did after Friday's closing bell). President Trump also unleashed more merciless criticism of the Fed's current policy stance, which he maintains is far too patient and tight. Friday provided a perfect microcosm of today's challenging investment environment. The Fed highlighted the U.S.'s robust jobs picture and fairly stable-if-low inflation, only to be completely overshadowed by wildly unpredictable trade drama. The calmer mood on Monday helped restore some stability in risk assets and slow the flight-to-quality, but it exposed the prevalent sensitivity that remains to all things trade-related.

-Chip Hughey, CFA

Head of Fixed Income Strategy and Services



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Equity	Level	Index Returns %					Δ-1w
		1w	QTD	YTD	1Y		
S&P 500	2878	-1.52	-1.84	16.35	2.18		
Dow Jones	25899	-0.88	-2.21	12.84	2.85		
Nasdaq	7854	-1.85	-1.74	19.23	-0.04		
Russell 2000	1476	-2.16	-5.63	10.38	-13.27		
MSCI EAFE	1816	-0.65	-5.19	8.60	-3.80		
MSCI EM	961	-1.69	-8.24	1.62	-5.78		

Fixed Income	Yield %	Levels				1Y Trend
		1w	QTD	YTD	1Y	
US Aggregate	2.19	0.27	2.48	8.74	9.68	
US Credit	2.85	0.61	3.41	13.59	12.73	
Global HY	6.17	0.53	-0.95	8.45	5.70	
Municipals	1.65	-0.06	2.29	7.50	8.57	

Benchmark Rates	Levels				1Y Trend
	08/26/19	08/19/19	07/29/19	08/27/18	
Fed Fuds	2.10	2.11	2.40	1.91	
1-Month Libor	2.14	2.17	2.23	2.10	
3-Month Libor	2.14	2.15	2.26	2.32	
2Y US Treasury	1.54	1.55	1.86	2.67	
5Y US Treasury	1.42	1.48	1.85	2.77	
10Y US Treasury	1.54	1.61	2.07	2.88	
30Y US Treasury	2.04	2.09	2.59	3.03	
Prime Rate	5.25	5.25	5.50	5.00	
30Y Fixed Mtge	3.75	3.71	3.86	0.00	

Commodities	Levels				1Y Trend
	08/26/19	08/19/19	07/29/19	08/27/18	
WTI Crude	53.64	56.13	58.11	65.05	
Gold	1527.15	1495.91	1426.80	1200.95	

Currency	Levels				1Y Trend
	08/26/19	08/19/19	07/29/19	08/27/18	
\$   USD Index	98.08	98.35	98.04	94.72	
¥   JPY	106.12	106.64	108.78	111.19	
€   EUR	1.11	1.11	1.11	1.17	
£   GBP	1.22	1.21	1.22	1.29	

U.S. Eco Data	Levels				1Y Trend
	Latest	Previous	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	

## Look Ahead

- The 2nd look at Q2 U.S. GDP, U.S. Personal Income/Spending and Consumer Sentiment due this week
- Euro-area unemployment/ eco. confidence may reveal recessionary pressures
- U.S. retail will dominate this week's earnings releases: WSM, BBY, DG, and DLTR

S&P 500 INDEX | 1Y

