



PERSPECTIVES AND POSITIONS

By James F. Dykstal, CFA, Portfolio Manager, July 2019

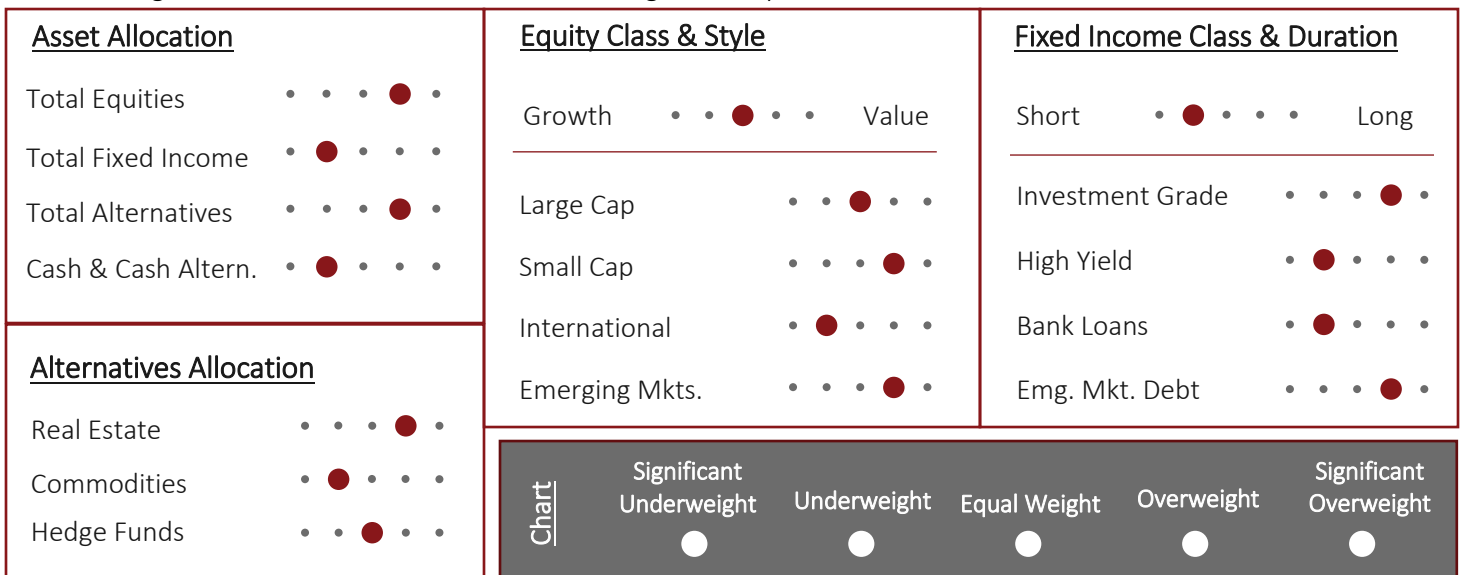
This is a summary of our views on the economy and markets as shared with discretionary clients.¹

ECONOMIC AND MARKET OUTLOOK

- U.S. GDP Growth – continues above 2%. No recession in 2019.
- Inflation – headline inflation rate fell to 1.5% due to weaker energy prices (particularly gasoline).
- Employment/Wages – historic low unemployment below 4%, and wages remain steady.
- Consumer Spending/Confidence – strong labor market continues to support consumer spending growth.
- Interest Rates – Fed poised to lower interest rates in July 2019. No rate cut.
- Dollar/Commodities – Dollar continues to trend into longer term trading range; oil prices will remain stable.
- Global Growth/Trade – developed economies slowing and uncertainty leads to more volatility. Emerging markets most attractive on relative basis. China and tariffs continue to be headwind.
- Fiscal Policy – tax reforms continue to help business, but impact moderates.
- Fixed Income – yield curve signals further drop in Fed rates. Credit spreads will remain tight.
- Equities – small cap value stocks are the most attractive segments in the U.S. internationally, Emerging markets (specifically Asia) have the most opportunity to outperform.
- Alternatives – real estate and hedge funds add value to portfolios in 2nd quarter.

TACTICAL POSITIONS

The following is our current Model Portfolio Positioning Summary:



If you would like to receive more detailed information on our discretionary consulting services, please contact Tom Woolwine, President, DMS, LLC, a DeMarche Affiliate, at twoolwine@demarche.com or 913.384.4994.

¹ Provided by our affiliate, Discretionary Management Services, LLC