

## Weekly Bond Commentary:

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### Troublesome headlines ignore good data

Geopolitical concerns resurfaced again last week, and markets grew skittish.

Given the long-running commentary about the impending success of the U.S.-China trade talks, markets handled well the more heated rhetoric that led to the U.S. imposing higher duties on Chinese goods on Friday. The possibility that this may have been a negotiating ploy helped soothe some nerves, especially with a Chinese delegation on its way to Washington for further talks.

Economic data released last week continued to show the domestic economy in solid form. Weekly jobless claims fell to 228,000, from 230,000, still near multi-decade lows, and inflation at both the wholesale and consumer levels is in-check and growing only modestly.

With no Federal Reserve meeting until June 19 and first-quarter corporate earnings essentially complete, markets have little to focus on for the time being, giving rise to more scrutiny of headlines. Perhaps the advent of school graduations and summer vacations will help to distract investors from the moment-to-moment following of geopolitical issues.

For the week, Treasury yields eased lower across the curve, as 2-year yields fell from 2.33% to 2.23%, 3-year yields fell from 2.30% to 2.19%, and 5-year yields fell from 2.32% to 2.22%.