

Brinker Capital Market Barometer

The weight of the evidence still leans positive which argues for a modest overweight to risk across portfolios

SHORT-TERM FACTORS (< 6 months)

| | CHANGE | NEGATIVE | NEUTRAL | POSITIVE | |
|--------------------|--------|----------|---------|----------|--|
| Momentum | | | | ● | Market momentum still strong |
| Trend | | | | ● | Global equity market indices above 200-day moving averages |
| Investor sentiment | ← | ● | | | Survey data remains in excessive optimism territory |
| Seasonality | | | | ● | Seasonality more supportive in second quarter |

INTERMEDIATE-TERM FACTORS (6-36 months)

| | CHANGE | NEGATIVE | NEUTRAL | POSITIVE | |
|---------------------------|--------|----------|---------|----------|---|
| Fiscal policy | | | | ● | Fiscal stimulus continues in 2019; watching trade |
| Monetary policy | | | | ● | Fed on an extended pause and will end balance sheet reduction |
| Inflation | | | ● | | Fed sees inflation as running below target |
| Interest rate environment | | | ● | | Longer-term rates range-bound; yield curve inversion at short end |
| Macroeconomic | | | | ● | Global growth still positive; strong US labor market |
| Business sentiment | | | ● | | Small business confidence off record high; CEO confidence little improved |
| Consumer sentiment | | | | ● | Measures improved in March; levels still supportive |
| Corporate earnings | | | | ● | US earnings growth still solid; softer outside US |
| Credit environment | | | | ● | Credit spreads tighter; few signs of credit market stress |

LONG-TERM FACTORS (36+ months)

| | CHANGE | NEGATIVE | NEUTRAL | POSITIVE | |
|----------------|--------|----------|---------|----------|--|
| Valuation | | | ● | | US equity valuations at long-term averages; more attractive ex-US |
| Business cycle | | | | ● | Long recovery but has been muted; few signs point to recession |
| Demographics | | | ● | | Mixed (US and emerging markets positive; developed int'l negative) |

SUMMARY

Within the **short-term factors**, investor sentiment moved from a neutral to a negative. The rebound in risk assets to start the year has pushed investor sentiment, a contrarian indicator, into excessive optimism territory. Sentiment can remain elevated, but at these levels we would not be surprised to see a pick-up in market volatility in the short-term on any unfavorable news.

No changes to our evaluation of the **intermediate-term factors**; these remain neutral to positive. Muted levels of inflation should allow the Federal Reserve to remain on hold. Earnings and macroeconomic data have been surprising to the upside.

No changes to our evaluation of the **long-term factors**. While the duration of the economic recovery has been longer than average, few signs point to recession.

BrinkerCapital.com

800.333.4573

1055 Westlakes Drive, Suite 250

Berwyn, PA 19312

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Source: Brinker Capital. Information is accurate as of May, 3, 2019. Themes and specific funds utilized to implement themes are discussed within the context of Brinker Capital's managed asset allocations and are based on current market conditions and constitute Brinker Capital's judgment and opinions, which are subject to change without notice. Past performance does not guarantee future results. Statements referring to future actions or events, such as the future financial performance of certain asset classes or market segments, are based on the current expectations and projections about future events provided by various sources, including Brinker Capital's Investment Management Group. These statements are not guarantees of future performance and actual events may differ materially from those discussed. Brinker Capital Inc., a registered investment advisor. **BAROMETER**