Global risk asset performance continued as supportive policy, signs of a stabilization in the growth and earnings slowdown, and anticipation of an imminent U.S.-China trade deal boosted risk sentiment. The MSCI All Country World Index has gained 16.2% YTD, the best start through April in history. While interest rates increased, concerns over the opposing signals given by the bond and equity markets persist, with rates signaling a more cautious outlook. Low inflationary pressure continues to reinforce a dovish and patient approach to further policy normalization. The health of the U.S. consumer and effectiveness of Chinese stimulus remains key to further improvement.

Global Economy

Slowing growth has stabilized with signs of improvement in some regions, and further progress will be dependent on the outlook for U.S. and China. Central banks are increasingly acknowledging weakening inflation but expect the current decline to moderate and move higher on a gradual basis. Overall, global central bank policy is likely to remain easy for the remainder of 2019.

Financial Markets

Global equities surged in April as risk-on sentiment dominated across the board and markets were pleasantly surprised by better-than-expected corporate earnings, fueled by a continued dovish stance from major central banks, as well as expectations of an imminent U.S.-China trade deal. Core global sovereign bonds lost and credit spreads tightened. The USD posted its third consecutive monthly gain and emerging market currencies lost. Bullish sentiment for oil continued in April on further signals of supply cuts throughout the rest of 2019.

Market Roundup

Capital market performance across asset classes.

Sector Performance

U.S. small and large cap sector returns.

Factor Performance

MSCI U.S. and EAFE factor returns.
Global Economy

GROWTH
Slowing economic activity is beginning to stabilize with some signs of improvement. A pick-up in U.S. consumption growth, a continuation of strengthening Chinese activity, and a trade deal will be key to further progress.

INFLATION
Inflationary pressures have weakened causing estimates to be revised lower. Most market participants, including the Fed, see the current softness as transitory but a dramatic upward shift remains unlikely.

CENTRAL BANK POLICY
Lower growth and inflation along with forecasts of only modest improvement have turned central banks towards an easy and patient approach to any further normalization.
GLOBAL ECONOMY

Growth  Inflation  Central Bank Policy

Slowing economic activity is beginning to stabilize with some signs of improvement. A pick-up in U.S. consumption growth, a continuation of strengthening Chinese activity, and a trade deal will be key to further progress.

• **U.S. Remains the Strongest Economy.**
  U.S. Q1 GDP growth of 3.2% q/q beat estimates of 2.3% but was driven by more volatile components (inventories and trade) that offset slower consumer spending. The market expects 2.0%–2.5% growth for the rest of 2019. The Markit manufacturing PMI gained slightly in April but from the lowest level since mid-2017 while the services PMI declined to the lowest in two years. Consumer confidence has improved YTD and remains strong after weakening in late 2018. The downward shift in small business confidence has stabilized but the level remains at the lower end over the last several years. Helped by an easier Fed, housing has improved.

  U.S. core retail sales growth has also shifted higher in 2019 after falling in the 2H of 2018.

• **Eurozone’s Downward Activity Showing Signs of Stabilization.**
  Q1 GDP of 0.4% q/q was better than expected and increased for the second quarter in a row after declining since the end of 2017. The manufacturing PMI is still in contraction territory but improved in April for the first time since July. Industrial production growth has been negative since November but the rate of contraction has weakened the last two months. Consumer confidence has moved higher in 2019 after falling throughout 2018 but the level is still low compared to the last several years.

• **UK’s Brexit Decision Delayed.**
  The EU and UK agreed to a flexible extension until October 31 to find a Brexit solution.

• **Japan’s Struggles Continue.**
  Industrial production growth declined to the worst since mid-2016 and the manufacturing PMI improved for a second month but remains in contraction territory.

• **China Activity Improving.**
  Q1 GDP growth of 6.4% y/y topped estimates but was unchanged from the prior quarter. The Caixin manufacturing PMI has shifted higher in 2019 and re-entered expansion territory in March. Industrial production and retail sales growth beat estimates and gained from the prior month.

**TAKEAWAY:**
The U.S. continues to drive global growth and outperform the rest of the world.

**U.S. VS. G-10 EX.–U.S. REAL GDP GROWTH (% Y/Y)**

Quarterly data as of Q4 2018. G-10 ex.–U.S.: Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland. Data shows the average growth per country for G-10 ex-U.S. Source: BNY Mellon Global Investment Strategy using data from OECD.

**EM AND CHINA MANUFACTURING PURCHASING MANAGER INDICES (PMI)**


**TAKEAWAY:**
China manufacturing momentum has stabilized and improved in 2019 helping to support the rest of EM.
GLOBAL ECONOMY

Growth  Inflation  Central Bank Policy

Inflationary pressures have weakened causing estimates to be revised lower. Most market participants, including the Fed, see the current softness as transitory but a dramatic upward shift remains unlikely.

• **U.S.** U.S. inflation beat estimates and gained 0.4% to 1.9% y/y in March which is the highest level this year and the first positive monthly change since October 2018. Inflation is expected to finish 2019 at 1.9%, down from 2.5% in 2018. Core inflation declined 0.1% to 2.0% y/y and has steadily fallen from a multi-year peak of 2.4% y/y last July to the lowest in a year. After hovering around 2.0% y/y during 2018, the Fed’s preferred measure of inflation, core PCE, has weakened each month to 1.6% y/y in March and the lowest in 18 months. We expect growth in prices to pick up from current levels as global growth improves from the recent soft patch but we do not foresee enough inflation to force the Fed to shift away from its current dovish stance in 2019.

• **Eurozone.** Eurozone inflation declined 0.1% to 1.4% y/y in March and is near the lowest in a year after steadily increasing to 2.3% y/y last October. Core inflation also remains weak and is at the lower end of the range during the past several years as of March.

• **Japan.** Japan’s inflation beat estimates and reached 1.3% y/y in April, the highest level since the beginning of 2015. While inflation has steadily improved, the market and Bank of Japan do not expect a steady appreciation in inflation and expect growth in prices to moderate from current levels.

**TAKEAWAY:**
Inflationary pressure has moderated reinforcing the Fed’s patient approach.

**TAKEAWAY:**
A tight job market continues to push up labor costs and pressure corporate profit margins.
GLOBAL ECONOMY

Lower growth and inflation along with forecasts of only modest improvement have turned central banks towards an easy and patient approach to any further normalization.

• U.S. The Fed kept interest rates unchanged at its latest meeting but acknowledged the recent softness in inflation and that it is running below target. The Fed also indicated it will remain patient as it assesses incoming data and highlighted the weaker-than-expected growth in household spending and business investment in Q1. Fed Chair Powell also reiterated the Fed’s current stance will likely continue for the remainder of 2019 and said “we do think our policy stance is appropriate right now — we don’t see a strong case for moving in either direction.” He also suggested there was reason to believe the recent weakness in price growth was transitory as the negative impact of one-off factors will likely diminish. Currently, the market is pricing in a rate cut by year-end 2020. In our view, this appears unlikely if the current strength in the labor market persists and growth and inflation pick up in the second half, which should reduce the market’s estimates of a rate cut.

• Eurozone. The ECB warned of risks to the economic outlook as still “tilted to the downside” due to “the persistence of uncertainties related to geopolitical factors, the threat of protectionism and vulnerabilities in emerging markets.” Reinforcing the ECB’s dovish stance and the likelihood of achieving their inflation objective of 2%, President Draghi stated “if we are to raise interest rates we would become less confident of such an outcome.” Draghi also suggested that the period of weak data has been “somewhat longer lasting” than expected, particularly in manufacturing, and that the slower growth momentum should likely continue throughout the rest of the year.

• Japan. The Bank of Japan announced it will not raise rates until at least the spring of 2020, highlighting its concerns over slowing growth and progress towards reaching the 2% inflation target.

U.S. MARKET IMPLIED CENTRAL BANK INTEREST RATES — 1-YEAR FORWARDS (%)

TAKEAWAY:
The market expects the Fed to turn more dovish.
Financial Markets

GLOBAL EQUITIES
Global equities gained in April on strong bullish sentiment as better-than-expected corporate earnings and GDP data in the U.S. and Europe provided support to markets, fueled by a continued dovish stance from major central banks and heightened expectations of a U.S.-China trade deal being reached in May.

FIXED INCOME
Core global sovereign bonds lost across the board and credit spreads tightened on strong risk-on sentiment.

FOREIGN EXCHANGE
The USD index posted its third consecutive monthly gain and emerging markets currencies weakened slightly.

COMMODITIES
Bullish sentiment for oil continued in April on markets receiving further signals of supply cuts extended through end-2019.
FINANCIAL MARKETS

Global Equities | Fixed Income | Foreign Exchange | Commodities

Global equities gained in April on strong bullish sentiment as better-than-expected corporate earnings and GDP data in the U.S. and Europe provided support to markets, fueled by a continued dovish stance from major central banks, and heightened expectations of an imminent U.S.-China trade deal.

- Global equities (+3.4% MTD, +16.2% YTD total return) gained across the board with gains led by developed markets bourses such as Germany (+7.1%), France (+4.9%) and the U.S. (+4.0%) on strong risk-on sentiment as global growth slowdown and recession worries moderated, Q1 earnings season better than expected, and major central banks continued their dovish stance.

- U.S. large cap stocks gained by 4% in April following March’s best quarterly performance since Q3 2009. Among S&P 500 sectors, cyclicals outperformed defensives as financials gained by an impressive +8.8% after a disappointing March as parts of the U.S. yield curve steepened and the market recovered from oversold conditions post-FOMC meeting on March 20th. Financials were followed by information technology (+6.4%), and communication services (+6.2%). Sectors such as healthcare (-2.7%) and real estate (-0.6%) lost in April.

- U.S. small caps underperformed large caps, although they still gained by +3.4% and led in YTD returns (+18.5%). Among small cap sectors, producer durables (+6.3%) and technology (+6.1%) led in gains.

- In ex-U.S. markets, European stocks had strong gains (+4.5% MTD, +17.8% YTD), led by a strong performance from Germany (+7.1%).

- Emerging markets (+2.1% MTD, +12.3% YTD total return) underperformed developed markets (+3.6%, +16.7%), but still managed to have a +2% performance as the USD struggled to post strong gains against major currencies; the Chinese economy showed substantial signs of being on the path to recovery; and markets continued to expect an imminent trade deal. Among EMs, Chinese stocks (+2.2%, +20.3%) started to lose steam from previous months’ bullish sentiment post-MSCI index inclusion.

- All U.S. factors were up in April as growth stocks (+4.8%) led in gains, followed by quality (+4.5%) and large caps (+4.0%). For EAFE, all factors except minimum volatility stocks (-0.2%) gained; like the U.S., growth stocks (+3.3%) outperformed others, followed by small caps (+3.0%) and large cap (+2.8%) stocks.

S&P 500 EQUAL WEIGHT FINANCIALS INDEX RELATIVE TO S&P 500 EQUAL WEIGHT INDEX

TAKEAWAY: Financials show some signs of life.
Core global sovereign bonds lost across the board and credit spreads tightened on strong risk-on sentiment. The USD index posted its third consecutive monthly gain on central bank monetary policy divergence between the U.S. and other major developed countries. Bullish sentiment for oil continued in April on markets receiving further signals of supply cuts extended through end-2019.

**FIXED INCOME**
- Average G-4 10-year government bond yields marched up in April (+10 bp MTD) led by the UK 10-year Gilt yield (+19 bp to 1.19%) followed by the U.S. 10-year Treasury (+10 bp to 2.51%), German 10-year Bund (+8 bp to 0.01%), and Japan’s 10-year (+4 bp to -0.04%). In the U.S., 3-month/10-year U.S. Treasury yield curve steepened by 15 bp from its lowest in March when it inverted for the first time since 2007. The 2-year/5-year U.S. Treasury yield curve, after briefly moving to positive territory at the end of April, inverted again on May 1st.
- Credit spreads tightened in April helped by the overall risk-on sentiment in markets (U.S. HY -33 bp MTD, -168 bp YTD; U.S. IG -8 bp MTD, -42 bp YTD).

**FOREIGN EXCHANGE**
- The USD Index (+0.2% MTD, +1.4% YTD) posted a slight positive gain in April (its third consecutive monthly gain against major crosses) but hit its highest level in nearly two years at the end of the month.
- Emerging markets currencies (-0.2% MTD, +1.4% YTD) lost yet again in April, as the USD was up against major crosses. The Mexican peso (+2.5%), Russian ruble (+1.5%) and South African rand (+1.4%) led in gains, so far immune to contagion effects they previously experienced in 2018 from laggards such as the Turkish lira (-6.6%), and Argentine peso (-2.0%).

**COMMODITIES**
- Commodities (-0.4% MTD, +5.9% YTD) were down slightly in April. Bullish sentiment for oil (WTI +6.3%, +40.7%) continued in April on markets receiving further signals of supply cuts extended through end-2019 from OPEC and its allies and the U.S. said not to renew the sanction waivers to Iranian oil importers.

**MAJOR CURRENCIES YTD SPOT RETURN (BASE USD, %)**

Data as of May 2, 2019. Source: Bloomberg.

**TAKEAWAY:**
The Russian ruble tops major currencies in 2019 with continued disappointment so far this year from 2018’s laggards (the Argentine peso and Turkish lira).
# Market Roundup

Data as of April 30, 2019 close.

## REGIONAL EQUITIES

(USD, % chg, Total Return)

<table>
<thead>
<tr>
<th>Index</th>
<th>Level</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y¹</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI All-Country World</td>
<td>1,078</td>
<td>3.4%</td>
<td>16.2%</td>
<td>5.6%</td>
<td>12.0%</td>
<td>-8.9%</td>
</tr>
<tr>
<td>MSCI World – DM</td>
<td>9,070</td>
<td>3.6%</td>
<td>16.7%</td>
<td>7.1%</td>
<td>12.0%</td>
<td>-8.2%</td>
</tr>
<tr>
<td>MSCI EAFE</td>
<td>7,988</td>
<td>2.9%</td>
<td>13.3%</td>
<td>-2.7%</td>
<td>7.8%</td>
<td>-13.4%</td>
</tr>
<tr>
<td>MSCI EM</td>
<td>2,429</td>
<td>2.1%</td>
<td>12.3%</td>
<td>-4.7%</td>
<td>11.7%</td>
<td>-14.2%</td>
</tr>
</tbody>
</table>

## COUNTRY EQUITIES

(% chg, Total Return)

<table>
<thead>
<tr>
<th>Country</th>
<th>Level</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y¹</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. (S&amp;P 500)</td>
<td>5,894</td>
<td>4.0%</td>
<td>18.2%</td>
<td>13.5%</td>
<td>14.9%</td>
<td>-4.4%</td>
</tr>
<tr>
<td>U.S. (NASDAQ)</td>
<td>9,436</td>
<td>4.8%</td>
<td>22.4%</td>
<td>15.8%</td>
<td>20.6%</td>
<td>-2.8%</td>
</tr>
<tr>
<td>U.S. (Russell 2000)</td>
<td>7,964</td>
<td>3.4%</td>
<td>18.5%</td>
<td>4.6%</td>
<td>13.6%</td>
<td>-11.0%</td>
</tr>
<tr>
<td>Japan (NIKKEI 225 JPY)</td>
<td>35,646</td>
<td>5.0%</td>
<td>12.2%</td>
<td>1.1%</td>
<td>12.3%</td>
<td>-10.3%</td>
</tr>
<tr>
<td>EU (STOXX 600 USD Hedged)</td>
<td>200</td>
<td>4.5%</td>
<td>17.8%</td>
<td>7.0%</td>
<td>11.9%</td>
<td>-7.8%</td>
</tr>
<tr>
<td>UK (FTSE 100 GBP)</td>
<td>6,667</td>
<td>2.3%</td>
<td>12.0%</td>
<td>3.1%</td>
<td>10.3%</td>
<td>-8.7%</td>
</tr>
<tr>
<td>France (CAC 40 EUR)</td>
<td>14,814</td>
<td>4.9%</td>
<td>19.0%</td>
<td>7.0%</td>
<td>11.9%</td>
<td>-8.0%</td>
</tr>
<tr>
<td>Germany (DAX 30 EUR)</td>
<td>12,344</td>
<td>7.1%</td>
<td>16.9%</td>
<td>-2.1%</td>
<td>7.1%</td>
<td>-18.3%</td>
</tr>
<tr>
<td>China (MSCI China USD)</td>
<td>159</td>
<td>2.2%</td>
<td>20.3%</td>
<td>-4.0%</td>
<td>17.1%</td>
<td>-18.8%</td>
</tr>
</tbody>
</table>

## FIXED INCOME

(USD, % chg, Total Return)

<table>
<thead>
<tr>
<th>Index</th>
<th>Level</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y¹</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Treasury ex. U.S.</td>
<td>667</td>
<td>-0.1%</td>
<td>2.7%</td>
<td>5.2%</td>
<td>3.1%</td>
<td>3.6%</td>
</tr>
<tr>
<td>U.S. Treasury</td>
<td>2,258</td>
<td>-0.3%</td>
<td>1.8%</td>
<td>4.8%</td>
<td>1.0%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Global IG Corporate</td>
<td>264</td>
<td>0.6%</td>
<td>5.3%</td>
<td>6.3%</td>
<td>3.9%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Global High Yield</td>
<td>491</td>
<td>0.9%</td>
<td>7.7%</td>
<td>5.4%</td>
<td>7.1%</td>
<td>-2.7%</td>
</tr>
<tr>
<td>U.S. Leveraged Loans</td>
<td>2,974</td>
<td>1.7%</td>
<td>5.7%</td>
<td>4.2%</td>
<td>5.6%</td>
<td>0.4%</td>
</tr>
<tr>
<td>EM USD Denominated</td>
<td>1,132</td>
<td>0.4%</td>
<td>5.9%</td>
<td>5.9%</td>
<td>4.9%</td>
<td>-2.5%</td>
</tr>
</tbody>
</table>

## COMMODITIES

(USD, % chg, Total Return)

<table>
<thead>
<tr>
<th>Index</th>
<th>Level</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y¹</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bloomberg Commodity Index</td>
<td>169</td>
<td>-0.4%</td>
<td>5.9%</td>
<td>-8.0%</td>
<td>-0.7%</td>
<td>-11.2%</td>
</tr>
<tr>
<td>Oil (WTI, USD/Barrel)</td>
<td>63.9</td>
<td>6.3%</td>
<td>40.7%</td>
<td>-6.8%</td>
<td>11.6%</td>
<td>-24.8%</td>
</tr>
<tr>
<td>Gold (USD/Troy Ounce)</td>
<td>1,285.2</td>
<td>-0.5%</td>
<td>0.3%</td>
<td>-2.4%</td>
<td>0.3%</td>
<td>-11.1%</td>
</tr>
</tbody>
</table>

## SPREADS

(OAS, bp chg, Total Return)

<table>
<thead>
<tr>
<th>Index</th>
<th>Level</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y¹</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Investment Grade Corporate</td>
<td>111</td>
<td>-8</td>
<td>-42</td>
<td>3</td>
<td>-35</td>
<td>60</td>
</tr>
<tr>
<td>U.S. High Yield</td>
<td>358</td>
<td>-33</td>
<td>-168</td>
<td>20</td>
<td>-219</td>
<td>183</td>
</tr>
<tr>
<td>EM USD Denominated</td>
<td>289</td>
<td>-3</td>
<td>-54</td>
<td>43</td>
<td>-80</td>
<td>117</td>
</tr>
</tbody>
</table>

## KEY RATES

(bp chg, Total Return)

<table>
<thead>
<tr>
<th>Index</th>
<th>Level</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y¹</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>3M U.S. Libor</td>
<td>2.58</td>
<td>-2</td>
<td>-23</td>
<td>21</td>
<td>194</td>
<td>111</td>
</tr>
<tr>
<td>2Y U.S. Treasuries</td>
<td>2.27</td>
<td>0</td>
<td>-21</td>
<td>-22</td>
<td>150</td>
<td>59</td>
</tr>
<tr>
<td>10Y U.S. Treasuries</td>
<td>2.51</td>
<td>10</td>
<td>-18</td>
<td>-44</td>
<td>68</td>
<td>29</td>
</tr>
<tr>
<td>10Y German Bund</td>
<td>0.01</td>
<td>8</td>
<td>-23</td>
<td>-55</td>
<td>-26</td>
<td>-19</td>
</tr>
<tr>
<td>10Y UK Gilt</td>
<td>1.19</td>
<td>19</td>
<td>-9</td>
<td>-23</td>
<td>-41</td>
<td>9</td>
</tr>
<tr>
<td>10Y Japanese Bond</td>
<td>-0.04</td>
<td>4</td>
<td>-4</td>
<td>-10</td>
<td>4</td>
<td>-5</td>
</tr>
<tr>
<td>CBOE VIX</td>
<td>13.12</td>
<td>13.71</td>
<td>25.42</td>
<td>15.93</td>
<td>15.70</td>
<td>11.04</td>
</tr>
<tr>
<td>U.S. 30Y Fixed Rate Mortgage</td>
<td>4.09</td>
<td>1</td>
<td>-42</td>
<td>-33</td>
<td>46</td>
<td>66</td>
</tr>
</tbody>
</table>

## FOREIGN EXCHANGE

(vs. USD, % chg, Total Return)

<table>
<thead>
<tr>
<th>Index</th>
<th>Level</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y¹</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD – Major Dollar Index</td>
<td>97.479</td>
<td>0.2%</td>
<td>1.4%</td>
<td>6.1%</td>
<td>1.6%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Euro</td>
<td>1.1215</td>
<td>0.0%</td>
<td>-2.2%</td>
<td>-7.1%</td>
<td>-0.7%</td>
<td>-4.5%</td>
</tr>
<tr>
<td>British Pound</td>
<td>1.3032</td>
<td>0.0%</td>
<td>2.2%</td>
<td>-5.3%</td>
<td>-3.7%</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>111.4200</td>
<td>-0.5%</td>
<td>-1.6%</td>
<td>-1.9%</td>
<td>-1.5%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>

Data provided for illustrative purposes and are not indicative of the past or future performance of any Dreyfus product. An investor cannot invest directly in the index. The performance data quoted represent past performance, which is no guarantee of future results.
**SECTOR PERFORMANCE**  
Data as of April 30, 2019 close.

## S&P 500 SECTORS

<table>
<thead>
<tr>
<th>S&amp;P 500 SECTORS</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y Annualized</th>
<th>2018</th>
<th>5Y Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>6.4%</td>
<td>27.0%</td>
<td>21.0%</td>
<td>25.6%</td>
<td>-1.6%</td>
<td>18.3%</td>
</tr>
<tr>
<td>Financials</td>
<td>8.8%</td>
<td>17.4%</td>
<td>2.1%</td>
<td>14.0%</td>
<td>-14.7%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Health Care</td>
<td>-2.7%</td>
<td>3.2%</td>
<td>8.6%</td>
<td>8.6%</td>
<td>4.7%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>5.7%</td>
<td>21.8%</td>
<td>15.4%</td>
<td>14.8%</td>
<td>-0.5%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Industrials</td>
<td>4.0%</td>
<td>21.4%</td>
<td>8.4%</td>
<td>10.5%</td>
<td>-15.0%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>2.3%</td>
<td>13.8%</td>
<td>14.8%</td>
<td>3.5%</td>
<td>-11.2%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Energy</td>
<td>0.0%</td>
<td>15.4%</td>
<td>-10.1%</td>
<td>-0.9%</td>
<td>-20.5%</td>
<td>-6.5%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.9%</td>
<td>10.8%</td>
<td>13.9%</td>
<td>6.6%</td>
<td>0.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>-0.6%</td>
<td>16.0%</td>
<td>17.0%</td>
<td>5.0%</td>
<td>-5.6%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Materials</td>
<td>3.6%</td>
<td>13.7%</td>
<td>0.9%</td>
<td>6.8%</td>
<td>-16.4%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Communication Services</td>
<td>6.2%</td>
<td>20.7%</td>
<td>13.0%</td>
<td>0.1%</td>
<td>-16.4%</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

The performance data quoted represent past performance, which is no guarantee of future results.

## S&P 500 APRIL SECTOR PERFORMANCE

- **Financials**: 8.8%
- **Information Technology**: 6.4%
- **Communication Services**: 6.2%
- **Consumer Discretionary**: 5.7%
- **Industrials**: 4.0%
- **Materials**: 3.6%
- **Consumer Staples**: 2.3%
- **Utilities**: 0.9%
- **Energy**: 0.0%
- **Real Estate**: -0.6%
- **Health Care**: -2.7%

The performance data quoted represent past performance, which is no guarantee of future results.
### SECTOR PERFORMANCE

Data as of April 30, 2019 close.

<table>
<thead>
<tr>
<th>S&amp;P 500</th>
<th>Russell 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RUSSELL 2000 INDEX SECTORS</strong></td>
<td><strong>MTD</strong></td>
</tr>
<tr>
<td>Financial Services</td>
<td>4.7%</td>
</tr>
<tr>
<td>Technology</td>
<td>6.1%</td>
</tr>
<tr>
<td>Producer Durables</td>
<td>6.3%</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>4.6%</td>
</tr>
<tr>
<td>Health Care</td>
<td>-3.7%</td>
</tr>
<tr>
<td>Materials and Processing</td>
<td>4.7%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.9%</td>
</tr>
<tr>
<td>Energy</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>1.8%</td>
</tr>
</tbody>
</table>

The performance data quoted represent past performance, which is no guarantee of future results.

### RUSSELL 2000 APRIL SECTOR PERFORMANCE

<table>
<thead>
<tr>
<th>Sector</th>
<th>Monthly Return (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer Durables</td>
<td>6.3%</td>
</tr>
<tr>
<td>Technology</td>
<td>6.1%</td>
</tr>
<tr>
<td>Materials and Processing</td>
<td>4.7%</td>
</tr>
<tr>
<td>Financial Services</td>
<td>4.7%</td>
</tr>
<tr>
<td>Consumer Discretionary</td>
<td>4.6%</td>
</tr>
<tr>
<td>Consumer Staples</td>
<td>1.8%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.9%</td>
</tr>
<tr>
<td>Energy</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Health Care</td>
<td>-3.7%</td>
</tr>
</tbody>
</table>

The performance data quoted represent past performance, which is no guarantee of future results.

Data provided for illustrative purposes and are not indicative of the past or future performance of any Dreyfus product. An investor cannot invest directly in the index.
## FACTOR PERFORMANCE

Data as of April 30, 2019 close. Net total returns in USD.

### U.S. FACTORS

<table>
<thead>
<tr>
<th>Factor</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y Annualized</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI U.S.</td>
<td>4.0%</td>
<td>18.3%</td>
<td>12.7%</td>
<td>14.2%</td>
<td>-5.0%</td>
</tr>
<tr>
<td>Value</td>
<td>3.2%</td>
<td>14.7%</td>
<td>9.4%</td>
<td>10.8%</td>
<td>-8.0%</td>
</tr>
<tr>
<td>Growth</td>
<td>4.8%</td>
<td>21.8%</td>
<td>16.0%</td>
<td>17.6%</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Large Cap</td>
<td>4.0%</td>
<td>17.9%</td>
<td>13.4%</td>
<td>14.6%</td>
<td>-4.2%</td>
</tr>
<tr>
<td>Small Cap</td>
<td>3.4%</td>
<td>19.8%</td>
<td>7.5%</td>
<td>13.4%</td>
<td>-10.4%</td>
</tr>
<tr>
<td>Min. Vol.</td>
<td>2.2%</td>
<td>14.9%</td>
<td>17.3%</td>
<td>12.8%</td>
<td>0.9%</td>
</tr>
<tr>
<td>High Div. Yield</td>
<td>1.6%</td>
<td>12.2%</td>
<td>11.7%</td>
<td>—</td>
<td>-3.2%</td>
</tr>
<tr>
<td>Momentum</td>
<td>2.3%</td>
<td>15.3%</td>
<td>9.2%</td>
<td>17.8%</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Quality</td>
<td>4.5%</td>
<td>21.9%</td>
<td>18.6%</td>
<td>16.8%</td>
<td>-3.1%</td>
</tr>
</tbody>
</table>

### EAFE FACTORS

<table>
<thead>
<tr>
<th>Factor</th>
<th>MTD</th>
<th>YTD</th>
<th>1Y</th>
<th>3Y Annualized</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI EAFE</td>
<td>2.8%</td>
<td>13.1%</td>
<td>-3.2%</td>
<td>7.2%</td>
<td>-13.8%</td>
</tr>
<tr>
<td>Value</td>
<td>2.3%</td>
<td>10.4%</td>
<td>-6.8%</td>
<td>6.3%</td>
<td>-14.8%</td>
</tr>
<tr>
<td>Growth</td>
<td>3.3%</td>
<td>15.7%</td>
<td>0.4%</td>
<td>8.1%</td>
<td>-12.8%</td>
</tr>
<tr>
<td>Large Cap</td>
<td>2.8%</td>
<td>12.9%</td>
<td>-2.6%</td>
<td>7.4%</td>
<td>-13.1%</td>
</tr>
<tr>
<td>Small Cap</td>
<td>3.0%</td>
<td>14.0%</td>
<td>-7.9%</td>
<td>7.8%</td>
<td>-17.9%</td>
</tr>
<tr>
<td>Min. Vol.</td>
<td>-0.2%</td>
<td>7.7%</td>
<td>-0.1%</td>
<td>5.2%</td>
<td>-5.7%</td>
</tr>
<tr>
<td>High Div. Yield</td>
<td>2.3%</td>
<td>13.2%</td>
<td>-1.9%</td>
<td>5.9%</td>
<td>-11.7%</td>
</tr>
<tr>
<td>Momentum</td>
<td>0.8%</td>
<td>11.5%</td>
<td>-5.2%</td>
<td>—</td>
<td>-13.1%</td>
</tr>
<tr>
<td>Quality</td>
<td>2.4%</td>
<td>15.8%</td>
<td>4.0%</td>
<td>7.8%</td>
<td>-10.4%</td>
</tr>
</tbody>
</table>

### MSCI U.S. APRIL FACTOR PERFORMANCE

- Growth: 4.8%
- Quality: 4.5%
- Large Cap: 4.0%
- Small Cap: 3.4%
- Value: 3.2%
- Momentum: 2.3%
- Min. Vol.: 1.6%
- High Div. Yield: 0%

### MSCI EAFE APRIL FACTOR PERFORMANCE

- Growth: 3.3%
- Small Cap: 3.0%
- Large Cap: 2.8%
- Quality: 2.4%
- High Div. Yield: 2.3%
- Momentum: 0.8%
- Min. Vol.: -0.2%

The performance data quoted represent past performance, which is no guarantee of future results. Factor performance: the return attributable to a particular common factor.

Data provided for illustrative purposes and are not indicative of the past or future performance of any Dreyfus product. An investor cannot invest directly in the index.
BNY Mellon Global Investment Strategy

Shamik Dhar
Chief Economist

Alicia Levine, PhD
Chief Strategist

Lale Akoner
Market Strategist

Bryan Besecker, CFA, CAIA
Market Strategist

Melissa Wilson
Investment Strategist

Liz Young, CFA
Director of Market Strategy

Abbreviations

y/y — year-over-year
m/m — month-over-month
q/q — quarter-over-quarter
MTD — month-to-date
YTD — year-to-date
Fed — Federal Reserve
ECB — European Central Bank
BOJ — Bank of Japan
bp — basis points
EM — emerging markets
DM — developed markets
USD — U.S. dollar
EAFE — Europe, Australasia and Far East
BOE — Bank of England
PBOC — People’s Bank of China
HY — high-yield
G4 — U.S., UK, Germany, Japan
Saar — Seasonally adjusted annualized rate
WTI — West Texas Intermediate

ISM — Institute for Supply Management
Fx — Foreign exchange
CPI — consumer price index
IG — investment grade
PCE — personal consumption expenditure
QE — quantitative easing
FOMC — Federal Open Market Committee
IIF — Institute of International Finance
GDP — gross domestic product
IMF — International Monetary Fund
EPS — earnings per share
Min. — minimum
Div. — dividend
PMI — purchasing managers index
PCE — personal consumption expenditures
Global equities — MSCI All Country World Index
OIS — Overnight indexed swap rate
NFIB — National Federation of Independent Business
CBO — Congressional Budget Office
**Appendix**

**GLOBAL ECONOMY > GROWTH**

**U.S. VS. G-10 EX.–U.S. REAL GDP GROWTH (% Y/Y)**

Quarterly data as of Q4 2018. G-10 ex.-U.S.: Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland. Data shows the average growth per country for G-10 ex-U.S. Source: BNY Mellon Global Investment Strategy using data from OECD.

**TAKEAWAY:**

The U.S. continues to drive global growth and outperform the rest of world.
EM AND CHINA MANUFACTURING PURCHASING MANAGER INDICES (PMI)

**TAKEAWAY:**
China manufacturing momentum has stabilized and improved in 2019 helping to support the rest of EM.
**Appendix**

**GLOBAL ECONOMY > INFLATION**

**THE FED’S PREFERRED MEASURE OF INFLATION, CORE PERSONAL CONSUMPTION EXPENDITURE (PCE)**

![Chart](chart.png)

**TAKEAWAY:**
Inflationary pressure has moderated reinforcing the Fed’s patient approach.

Please see important footnotes for returns and charts on last page.
Appendix

GLOBAL ECONOMY > INFLATION

U.S. LABOR COSTS

The employment cost index is a quarterly measure of the change in the price of labor, defined as compensation per employee hour worked calculated by the Bureau of Labor Statistics. Quarterly data as of Q1 2019. Source: BNY Mellon Global Investment Strategy using data from Bloomberg.

TAKEAWAY:
A tight job market continues to push up labor costs and pressure corporate profit margins.
Appendix

GLOBAL ECONOMY > CENTRAL BANK POLICY

U.S. MARKET IMPLIED CENTRAL BANK INTEREST RATES — 1-YEAR FORWARDS (%)

<table>
<thead>
<tr>
<th>Date</th>
<th>U.S. OIS 1-Year 1-Month Swap (%)</th>
<th>Current Fed Funds Rate: Midpoint of Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-18</td>
<td>1.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Apr-18</td>
<td>2.1</td>
<td>2.3</td>
</tr>
<tr>
<td>Jul-18</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Oct-18</td>
<td>2.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Jan-19</td>
<td>2.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Apr-19</td>
<td>2.9</td>
<td>2.3</td>
</tr>
</tbody>
</table>


TAKEAWAY:
The market expects the Fed to turn more dovish.

Please see important footnotes for returns and charts on last page.
TAKEAWAY:
Financials show some signs of life.

S&P 500 EQUAL WEIGHT FINANCIALS INDEX RELATIVE TO S&P 500 EQUAL WEIGHT INDEX

Indexed to 100, Starting January 4, 2016

TAKEAWAY:
Russian ruble tops major currencies in 2019 with continued disappointment so far this year from 2018’s laggards (Argentine peso and Turkish lira).

Data as of May 2, 2019.
Source: Bloomberg.
DEFINITIONS

MSCI All-Country World: The MSCI All-Country World is an index that tracks the performance of both Developed and Emerging Market equities.

MSCI World – DM: The MSCI World Index is an index that tracks the performance of Developed Market equities.

MSCI EAFE: The MSCI EAFE Index is an index that tracks the performance of Developed Market equities across Europe, Australasia and the Far East excluding the U.S. and Canada.

MSCI EM: The MSCI EM index tracks the performance of Emerging Market Equities.

MSCI U.S.: Index is designed to measure the performance of the large and mid cap segments of the U.S. market.

MSCI Momentum: Index is designed to reflect the performance of an equity momentum strategy by emphasizing stocks with high price momentum.

MSCI Growth: Index is designed to reflect the performance of securities exhibiting overall growth characteristics.

MSCI Value: Index is designed to reflect the performance of securities exhibiting overall value style characteristics.

MSCI Small Cap: Index is designed to reflect the performance of the small cap segment of the respective market.

MSCI Quality: Index is designed to reflect the performance of quality growth stocks by identifying stocks with high-quality scores based on three fundamental variables: high return on equity, stable y/y earnings growth, and low financial leverage.

MSCI Large Cap: Index is designed to reflect the performance of the large cap segment of the respective market.

MSCI Min. Volatility: Index is designed to reflect the performance of a minimum variance strategy.

MSCI High Dividend Yield: Index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.


U.S. (NASDAQ): The Nasdaq Composite Index is the market capitalization-weighted index of approximately 3,000 common equities listed on the Nasdaq stock exchange.

U.S. (Russell 2000): The Russell 2000 Index is a small-cap stock market index of the bottom 2,000 stocks in the Russell 3000 Index.

Japan (Nikkei 225): The Nikkei 225 is an index that tracks the performance of the largest 225 companies traded in the Japanese market.

EU (STOXX 600): The STOXX 600 is an index that represents the performance of 600 large, mid and small capitalization companies across 18 countries in the European Union.

UK (FTSE 100): The FTSE 100 is an index that tracks the performance of the largest 100 companies traded on the London Stock Exchange.

France (CAC 40): The CAC 40 is an index that tracks the performance of the largest 40 companies traded on the Paris Stock Exchange.

Germany (DAX 30): The DAX 30 is an index that tracks the performance of the largest 30 companies traded on the Frankfurt Stock Exchange.

China (SHANGHAI A SE): The SHANGHAI A SE index tracks the performance of the Remminbi denominated equities traded at the Shanghai Stock Exchange.

Global Aggregate: The Bloomberg Barclays Global Aggregate Total Return (USD hedged) Index is a broad-based measure of the global investment-grade fixed income markets.


U.S. Treasury: The Barclays Bloomberg U.S. Treasury Index is the U.S. Treasury component of the U.S. Aggregate Index and aggregates obligations of the U.S. Treasury with a remaining maturity of one year or more.

U.S. TIPS: The Bloomberg Barclays U.S. Treasury Inflation-Protected Securities Total Return Index tracks the performance of publicly issued, U.S. Treasury inflation-protected securities that have at least one year remaining to maturity and have $250 million or more of outstanding face value.

Global Investment Grade – Corp.: This Index reflects the corporate component of the Bloomberg Barclays Global Aggregate Index which is designed to provide a broad-based measure of the global investment-grade fixed income markets.

Global High Yield: The Barclays Bloomberg Global High Yield Index is a broad-based measure of the global high yield market.

U.S. Leveraged Loans: The S&P/LSTA Leveraged Loan Total Return Index is designed to measure the performance of the U.S. leveraged loan market.

Hedge Funds: The Hedge Fund Research HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage.

EM USD Denominated: The Bloomberg Barclays EM USD Aggregate Index includes USD denominated debt from sovereign, quasi-sovereign, and corporate EM issuers.

EM Debt LC: The Bloomberg Barclays EM Local Currency Government Total Return Index measures the general performance of locally issued fixed income securities by Emerging Market governments.

Bloomberg Commodity Index: The Dow Jones UBS Commodity index is designed to provide diversified commodity exposure with weightings based on the commodity’s liquidity and economic significance.

Commodities: The S&P GSCI Total Return Index is a benchmark used to measure commodity performance overall.

USD: The U.S. Majors Dollar Index tracks the performance of the USD versus a basket of foreign currencies including the euro, Japanese yen, Pound sterling, Canadian dollar, Swedish krona, and Swiss Franc.

Oil (WTI, USD/Barrel): Generic West Texas Intermediate crude oil spot price.

Gold (USD/Troy Ounce): Gold London Bullion Market spot price, quoted in USD per Troy Ounce.

U.S. Investment Grade Corporate: The Barclays Bloomberg U.S. Aggregate – Corporate Index is designed to measure the performance of the investment grade corporate sector in the U.S.

U.S. High Yield: The Bloomberg Barclays U.S. High Yield Index covers the universe of high yield corporate debt of fixed-rate, non-investment grade corporate debt in the U.S.

3M U.S. Libor: Average interest rate at which a selection of banks in London lend to one another in USD with a maturity of 3 months.

2Y U.S. Treasuries: Average yield of a range of Treasury securities all adjusted to the equivalent of a two-year maturity.

10Y U.S. Treasuries: Average yield of a range of Treasury securities all adjusted to the equivalent of a ten-year maturity.

10Y UK Gilt: Average yield of a range of UK government bonds all adjusted to the equivalent of a ten-year maturity.

10Y German Bund: Average yield of a range of German government bonds all adjusted to the equivalent of a ten-year maturity.

10Y Japanese Bond: Average yield of a range of Japanese government bonds all adjusted to the equivalent of a ten-year maturity.

CBOE VIX: Indicator of the implied volatility of S&P 500 index as calculated by the Chicago Board Options Exchange (CBOE).

U.S. 30Y Fixed-Rate Mortgage: Bankrate.com 30-year U.S. home mortgage fixed rate national average.

Consumer Price Index (CPI): Index measures changes in the price level of market basket of consumer goods and services purchased by households.

Carry Trade: Borrowing a currency at a low interest rate to finance the purchase of another currency earning a higher interest rate.

Emerging Markets Carry Trade Index: The EM-8 Carry Trade Index measures the cumulative total return of a buy-and-hold carry trade position that is long eight emerging market currencies (Brazilian real, Mexican peso, Indian rupee, Indonesian rupiah, South African rand, Turkish lira, Hungarian forint, Polish zloty) that is fully funded with short positions in the U.S. dollar.

EM FX Volatility: JP Morgan EM FX Volatility is calculated based on 3 month at-the-money-forward vols, which are combined with a set of fixed weights to produce the daily result.

Manufacturing PMI: An economic indicator derived from monthly surveys of private sector companies. A level above 50 indicates expansion compared to the prior month and below 50 contraction.
DISCLOSURE

FOOTNOTES FOR RETURNS AND CHARTS

1 Total 3Y% change annualized for equities, commodities, foreign exchange and fixed income. 2 Total returns in USD. USD hedged for Global Treasury ex U.S., Global Investment Grade – Corporate, and Global High Yield. 3 OAS: option-adjusted spread. Both level and change in bp. 4 Current level of interest rates (%) shown in “Level” column except for CBOE VIX. For CBOE VIX the value as of each date is shown not the change. 5 “Level” for each exchange rate: USD/1 Euro; USD/1 British Pound; Japanese Yen/1 USD. Changes for Japanese Yen calculated using USD/1 Japanese Yen. A carry trade is when a trader benefits from a difference in rates and uses the high-yielding currency to fund the trade with low-yielding currency.

RISKS

Investing in foreign denominated and/or domiciled securities involves special risks, including changes in currency exchange rates, political, economic, and social instability, limited company information, differing auditing and legal standards, and less market liquidity. These risks generally are greater with emerging market countries. Bonds are subject to interest rate, credit, liquidity, call and market risks, to varying degrees. Generally, all other factors being equal, bond prices are inversely related to interest-rate changes and rate increases can cause price declines. Small and midsized company stocks tend to be more volatile and less liquid than larger company stocks as these companies are less established and have more volatile earnings histories. Commodities contain heightened risk including market, political, regulatory, and natural conditions, and may not be suitable for all investors. Currencies can decline in value relative to a local currency, or, in the case of hedged positions, the local currency will decline relative to the currency being hedged. These risks may increase fund volatility.