



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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The S&P 500 Index hit a new all-time closing high of 2,459 on Friday and returned 1.42% for the week. In Europe, equities broadly increased with the STOXX 600 index rising 1.75% and the FTSE 100 up 0.37%. In Japan, equities rallied 1.15% higher. Treasury yields declined during the week and the yield curve steepened, as short- to medium-term rates declined more than long-term rates. Most of the downward pressure was due to comments from Federal Reserve members. The Global Aggregate Index posted a positive total return and outperformed similar-duration Treasuries, led by the Pan-European region.

- Economic Data:** The *Producer Price Index (PPI)* rose 0.1% in June versus a consensus expected of 0%. Producer prices are up 2.0% versus a year ago. The *Consumer Price Index (CPI)* was unchanged in June, coming in below the consensus expected increase of 0.1%. The CPI is up 1.6% from a year ago. The "core" CPI, which excludes food and energy, increased 0.1% in June, slightly below the consensus expected rise of 0.2%. Core prices are up 1.7% versus a year ago. *Retail Sales* declined 0.2% in June versus a consensus expected gain of 0.1%. Retail sales are up 2.8% versus a year ago. *Industrial Production* rose 0.4% in June versus a consensus expected gain of 0.3%. This was the fifth consecutive month and the uptick in activity was broad based.
- Equity:** For the week, the Technology sector was the best performing sector, while the Financial sector was the worst performing sector despite strong quarterly earnings from several major U.S. banks that reported second-quarter profits that exceeded Wall Street analysts' expectations. Oil rose over 5% during the week on increased Chinese demand and a larger-than-expected drop in U.S. crude stockpiles.
- Fixed Income:** Treasury prices rose over the course of the week as top officials from both the U.S. Federal Reserve and European Central Bank weighed in about their respective monetary policies. One widely noted reason for the decline in yields was Fed Chair Yellen's two-day testimony on Capitol Hill. Yellen's comments along with weaker than expected economic data weighed on the U.S. Dollar, which declined 0.8% to a near 10-month low. This weakness pushed the Euro and British Pound up 0.6% and 1.6%, respectively. Canada's central bank on Wednesday raised interest rates for the first time in seven years, becoming the latest developed market to begin shifting away from accommodative monetary policies.
- Corporate News / Earnings:** The blended (actual and estimated) earnings growth rate for the second quarter is 6.8% today, which is higher than the earnings growth rate of 6.4% last week.

Index/Portfolio Returns	% Change Week	% Change QTD	% Change YTD
Barclays US Aggr Bond	0.45%	0.09%	2.36%
Barclays Global Aggr Bond	0.87%	0.12%	4.54%
Barclays US Corp High Yield	0.53%	0.29%	5.23%
JPM Emerging Mkts Bond	1.05%	0.17%	6.38%
S&P Equity 500	1.42%	1.56%	11.05%
Russell 3000 All Cap	1.38%	1.46%	10.52%
Russell 2000 Small Cap	0.93%	0.98%	6.02%
NASDAQ Composite	2.59%	2.82%	17.95%
S&P Global BMI	2.09%	1.88%	13.85%
MSCI EAFE	2.38%	1.90%	15.97%
MSCI EAFE Small Cap	2.39%	1.48%	18.45%
MSCI Emerging Markets	4.58%	3.94%	23.10%

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