



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

August 29, 2017

VOLUME 24, ISSUE 33

U.S. equities were generally positive last week, after falling the previous two weeks. For last week, the large cap S&P 500 index returned 0.75%. The U.S. Treasury yield curve modestly flattened last week, as short-term rates rose while mid- to long-term yields dropped. For the first time in a decade, all of the world's major economies are forecast to grow. All 45 countries tracked by the Organization for Economic Co-operation and Development are on track for GDP expansion in 2017, and 33 of them are forecast to post stronger growth than they did in 2016.

- Economic Data:** *Existing home sales* declined 1.3% in July to a 5.44 million annual rate, below the consensus expected 5.55 million. Sales are up 2.1% versus a year ago. The median price of an existing home declined to \$258,300 in July but is up 6.2% versus a year ago. *The months' supply of existing homes* remained unchanged at 4.2 months in July. *New single-family home sales* fell 9.4% in July to a 571,000 annual rate, well below the consensus expected 610,000. Sales are down 8.9% from a year ago. *New orders for durable goods* declined 6.8% in July, coming in below the consensus expected decline of 6.0%. *Orders excluding transportation* rose 0.5% in July, narrowly beating the consensus expected rise of 0.4%. Orders are up 4.1% from a year ago while orders excluding transportation are up 5.6%.
- Equity:** Stocks around the world traded up with the MSCI World index returning 0.76%. Emerging markets showed the best return with the MSCI EM index up 2.46% and U.S. equities rebounded after two weeks of decline with the S&P 500 index up 0.75%. The U.S. Dollar index dropped to a three-week low and WTI crude prices increased to \$47.87 as Hurricane Harvey made landfall.
- Fixed Income:** *U.S. Treasuries* seesawed throughout the week as investors reacted to geopolitical concerns and indications of changes to fiscal and monetary policy. The U.S. Treasury yield curve modestly flattened last week, as short-term rates rose while mid- to long-term yields dropped. The weekly change in yields was marginal, but masked heightened volatility as the direction of the change in yields reversed course each day. The US 10-Year Treasury yield remained largely unchanged and ended the week at 2.17%.
- Earnings:** As of Friday, more than 90% of the companies in the S&P 500 have reported earnings for the second quarter. The earnings growth rate for the S&P 500 has improved to 10.2% today from 6.4% on June 30.
- Political and Policy News:** On Tuesday, Trump threatened a government shutdown at a rally in Phoenix if he does not get funding for the Mexico border wall.

Index/Portfolio Returns	% Change Week	% Change QTD	% Change YTD
Barclays US Aggr Bond	0.16%	1.08%	3.38%
Barclays Global Aggr Bond	0.38%	2.61%	7.13%
Barclays US Corp High Yield	0.32%	0.73%	5.70%
JPM Emerging Mkts Bond	0.58%	1.97%	8.29%
S&P Equity 500	0.75%	1.14%	10.58%
Russell 3000 All Cap	0.85%	0.75%	9.75%
Russell 2000 Small Cap	1.46%	-2.54%	2.32%
NASDAQ Composite	0.80%	2.22%	17.26%
S&P Global BMI	0.97%	2.33%	14.35%
MSCI EAFE	0.61%	2.67%	16.84%
MSCI EAFE Small Cap	0.71%	4.01%	21.40%
MSCI Emerging Markets	2.46%	8.00%	27.91%

Robert Klefsaas, CFP®, AIF®, CFDA®	CEO, Sr. Wealth Manager
Brian Senske, MA	CFO, COO, Sr. Wealth Mgr
J. Alexander Källebo, CFA®	Portfolio Manager
Matt Berhow CFP®, AIF®	Senior Wealth Manager
David Osterberg, CPA	Tax Advisor
Brady Mickolich CFP®	Associate Wealth Manager
Carl Ermisch, AIF®	Analyst & Paraplanner
Paula Zilka	Operations Manager
John Shevlin	Account Executive
Kaitlin Buckley	Client Service Associate
Ashley Kading	Executive Assistant
Bill Ristvedt	PCWM
Zhaoren Chen	Intern #99

Phone: 952-896-3820 · Fax: 952-896-3819 · Toll Free: 888-809-7901

Email: [asf@allstarfinancial.com](mailto:asf@allstarfinancial.com) · Website: [www.allstarfinancial.com](http://www.allstarfinancial.com)

3800 AMERICAN BLVD W, SUITE 620 · MINNEAPOLIS, MN · 55431

