



# WEEKLY MARKET WRAP

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Last week we saw a solid report on economic growth with real GDP revised to a 3.0% annual growth rate in Q2 from a prior estimate of 2.6%. Domestically, the S&P 500 returned 1.43% for the week. In the European markets, the Stoxx 600 Index increased by 0.54% despite the North Korean geopolitical tensions. U.S. Treasury prices were mixed and mostly flat over the course of the week as geopolitical tensions rose and economic data was both optimistic and pessimistic. Fixed income markets globally was flat with Barclays Global Aggregate index performance at 0%.

- Economic Data:** Last week's report on economic growth was solid as overall real GDP growth was revised higher for the second quarter and almost every major category of GDP, with the exception of government purchases, was revised higher as well. *Real GDP* was revised to a 3.0% annual growth rate in Q2 from a prior estimate of 2.6%, beating the consensus expected 2.7%. Consumers are doing well and *personal income* rose 0.4% in July, beating the consensus expected gain of 0.3%. *Personal consumption* increased 0.3%, slightly below the consensus expected rise of 0.4%. Personal income is up 2.7% in the past year, while spending is up 4.2%. The overall *PCE deflator* (consumer inflation) rose 0.1% in July and is up 1.4% versus a year ago. The "*core*" *PCE deflator*, which excludes food and energy, also rose 0.1% in July and is up 1.4% in the past year. *Nonfarm payrolls* increased 156,000 in August, lagging the consensus expected 180,000. The *ISM Manufacturing Index* boomed in August, hitting the highest level in more than six years. The *ISM Manufacturing Index* rose to 58.8 in August, coming in well above the consensus expected 56.5. On the jobs front, the manufacturing employment index jumped to 59.9 in August, also hitting a six-year high.
- Equity:** Global and U.S. equity markets rallied for the second consecutive week helped by an increase in M&A news and mostly stronger than expected economic data releases. The S&P Global BMI index increased 1.2% and the European Stoxx 600 index increased by 0.54% despite the North Korean geopolitical tensions.
- Fixed Income:** While digesting concerns over military tensions in the Korean peninsula and mixed estimates of damage from Hurricane Harvey, U.S. 10-Year Treasury yields hit a 9-week low in the middle of the week and closed on Friday at 2.16%. All domestic sectors delivered positive total returns for the third week in a row. The high yield sector delivered the strongest returns for the second consecutive week. Fixed income markets globally were flat with Barclays Global Aggregate index performance at

| Index/Portfolio Returns     | % Change Week | % Change QTD | % Change YTD |
|-----------------------------|---------------|--------------|--------------|
| Barclays US Aggr Bond       | 0.07%         | 1.15%        | 3.45%        |
| Barclays Global Aggr Bond   | 0.00%         | 2.61%        | 7.13%        |
| Barclays US Corp High Yield | 0.39%         | 1.13%        | 6.12%        |
| JPM Emerging Mkts Bond      | 0.46%         | 2.44%        | 8.79%        |
| S&P Equity 500              | 1.43%         | 2.58%        | 12.16%       |
| Russell 3000 All Cap        | 1.58%         | 2.34%        | 11.48%       |
| Russell 2000 Small Cap      | 2.66%         | 0.05%        | 5.04%        |
| NASDAQ Composite            | 2.73%         | 5.01%        | 20.47%       |
| S&P Global BMI              | 1.19%         | 3.55%        | 15.72%       |
| MSCI EAFE                   | 0.57%         | 3.25%        | 17.51%       |
| MSCI EAFE Small Cap         | 0.96%         | 5.01%        | 22.56%       |
| MSCI Emerging Markets       | 0.64%         | 8.69%        | 28.73%       |

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