



WEEKLY MARKET WRAP

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U.S. equity indexes posted strong gains, as the S&P 500 posted seven daily gains in a row and set record highs on Thursday and then again on Friday. For the week, the S&P 500 hit a record of 2,500, up 1.6%. Global equities generally remained resilient amid rising geopolitical tensions of North Korean missile threats and in Europe. The Stoxx Europe 600 moved 1.4% higher. The yields closed the week higher for all maturities and more than offset the previous week's drop for all but the 30-year Treasury. The Global Aggregate Index posted the lowest total return for the week, based on soft returns in Asia Pacific.

- Economic Data:** *Industrial production* declined 0.9% in August, which was quite off from the consensus expected gain of 0.1%. *Retail sales* declined 0.2% in August, coming in below the consensus expected gain of 0.1%. *Retail sales* are up 3.2% versus a year ago. The consensus expected a 0.5% gain. *The Consumer Price Index (CPI)* rose 0.4% in August, coming in above the consensus expected increase of 0.3%. The CPI is up 1.9% from a year ago. The "core" CPI, increased 0.2% in August, matching consensus expectations. Core prices are up 1.7% versus a year ago. *Real average hourly earnings* declined 0.3% in August, but are up 0.6% in the past year. *Real average weekly earnings* are up 0.9% in the past year. *The Producer Price Index (PPI)* rose 0.2% in August versus a consensus expected rise of 0.3%. *Producer prices* are up 2.4% versus a year ago.
- Equity:** Following a down week for stocks, investors adopted a risk-on approach, moving back into equities. While the damage from Hurricane Irma was devastating in terms of human costs, the economic impact was less severe than feared. The S&P 500 Index rose 1.6% last week and all major U.S. indices reached new highs. Global equities generally remained resilient amid rising geopolitical tensions of North Korean missile threats. The US Dollar regained some ground, with the index up 0.6%, despite investors processing softer economic data.
- Fixed Income:** The U.S. 10-Year Treasury yield hit a three-week high of 2.20%, showing waning appetite for risk-free assets. 10-Year Treasuries have rallied 23 basis points this year as inflation expectations weakened. Market-based expectations for a rate increase in December jumped, now indicating approximately even odds of an increase.
- Corporate News / Earnings:** Hurricanes Harvey and Irma caused significant property damage and business losses across the Gulf Coast region of the country in late August and early September. Since Labor Day Weekend (September 5th), the estimated earnings growth rate for the S&P 500 for Q3 2017 has declined by just over half a percentage point (to 4.5% from 5.1%).

Index/Portfolio Returns	% Change Week	% Change QTD	% Change YTD
Barclays US Aggr Bond	-0.50%	1.10%	3.40%
Barclays Global Aggr Bond	-1.06%	2.72%	7.25%
Barclays US Corp High Yield	0.22%	1.46%	6.47%
JPM Emerging Mkts Bond	-0.24%	2.85%	9.23%
S&P Equity 500	1.63%	3.64%	13.33%
Russell 3000 All Cap	1.70%	3.39%	12.62%
Russell 2000 Small Cap	2.35%	1.40%	6.46%
NASDAQ Composite	1.41%	5.26%	20.75%
S&P Global BMI	1.20%	4.78%	17.09%
MSCI EAFE	0.56%	4.70%	19.15%
MSCI EAFE Small Cap	0.43%	6.48%	24.29%
MSCI Emerging Markets	1.05%	9.87%	30.12%

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