



# WEEKLY MARKET WRAP

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The S&P 500 posted its seventh consecutive week of gains, 0.23%, which is the longest streak in three years. Strong corporate earnings results from a few corporate giants supported the U.S. equity markets with the Technology sector leading the way. Outside the U.S., the S&P Global BMI was down slightly, -0.14%, and European and emerging markets were down for the second week in a row. Domestic fixed income indices were down as yields rose along the curve. The negative total return for fixed income extended beyond the U.S. with the Barclays Global Aggregate index and JPM Emerging Markets Bond index down -0.60% and -0.28%, respectively.

- Economic Data:** *New orders for durable goods* rose 2.2% in September, beating the consensus expected rise of 1.0%. Orders are up 8.3% from a year ago. *New home sales* took off in September, growing at the fastest monthly pace in the past 25 years and hitting the highest level since 2007. New single-family home sales increased 18.9% in September to a 667,000 annual rate, well above the consensus expected 554,000. Sales are up 17% from a year ago. The *months' supply of new homes* fell to 5.0 months in September from 6.0 months in August. Inventories remained unchanged in September. The *median price* of new homes sold was \$319,700 in September, up 1.6% from a year ago. The average price of new homes sold was \$385,200, up 5.2% versus last year. The first estimate for Q3 *real GDP growth* is 3.0% at an annual rate, beating the 2.6% the consensus expected. Real GDP is up 2.3% from a year ago. Nominal GDP, real GDP plus inflation, rose at a 5.2% rate in Q3, up 4.1% from a year ago and up at a 3.4% annual rate from two years ago.
- Equity:** The U.S. equity market posted a modest gain for the week on strong corporate earnings results from some of the world's largest companies by market cap. Tech was the clear market leader as Microsoft, Amazon, and Alphabet posted impressive quarterly results.
- Fixed Income:** U.S. Treasury yields moved modestly higher for all maturities last week and volatility increased as investors tried to figure out whom the President will nominate as the next Fed Chair. The Global Aggregate Index posted negative total return, 0.60%, and the JPM Emerging Markets Bond index was down, -0.28%. A December Fed interest rate hike now seems likely with market expectations sitting at an 85% chance of rate hike.
- Corporate News / Earnings:** the blended earnings growth rate for the third quarter was 4.7%, up from 1.7% the previous week with over 55% of the companies in the S&P 500 having reported actual results for third quarter. The blended sales growth rate for the third quarter was 5.7%, which is higher than the sales growth rate of 5.1% previous week.

Index/Portfolio Returns	% Change Week	% Change QTD	% Change YTD
Barclays US Aggr Bond	-0.10%	-0.23%	2.91%
Barclays Global Aggr Bond	-0.60%	-0.89%	5.31%
Barclays US Corp High Yield	-0.12%	0.37%	7.40%
JPM Emerging Mkts Bond	-0.28%	-0.10%	8.62%
S&P Equity 500	0.23%	2.55%	17.16%
Russell 3000 All Cap	0.18%	2.39%	16.64%
Russell 2000 Small Cap	-0.06%	1.22%	12.29%
NASDAQ Composite	1.09%	3.19%	25.56%
S&P Global BMI	-0.14%	1.82%	19.95%
MSCI EAFE	-0.34%	0.91%	21.05%
MSCI EAFE Small Cap	-0.03%	0.61%	26.18%
MSCI Emerging Markets	-0.84%	2.67%	31.20%

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