



WEEKLY MARKET WRAP

November 6, 2017

VOLUME 24, ISSUE 43

- The S&P 500 posted its eight straight weekly gain, 0.29%, as companies continue to release strong earnings reports and the House Republicans unveiled their tax plan. Outside the U.S., European stocks hit a ten-year high and emerging markets posted strong weekly gains. The Fed left short-term interest rates unchanged, and President Trump nominated Jerome Powell to succeed Janet Yellen as Fed chair. Both broad domestic and global bond indices posted positive returns.

- Economic Data:** *Personal income* rose 0.4% in September, matching consensus expectations. *Personal consumption* increased 1.0%, beating the consensus expected 0.9%. *Personal income* is up 3.0% in the past year, while *spending* is up 4.4%. The overall *PCE deflator* rose 0.4% in September and is up 1.6% versus a year ago. The "core" PCE deflator, which excludes food and energy, rose 0.1% in September and is up 1.3% in the past year. The *ISM Manufacturing Index* declined to 58.7 in October, coming in below the consensus expected 59.5. *Non-farm productivity* is up 1.5% versus last year. The *trade deficit* in goods and services came in at \$43.5 billion in September, beating expectations of \$43.2 billion. In the last year, exports are up 4.6% while imports are up 6.0%. The *ISM non-manufacturing* index rose to 60.1 in October, beating the consensus expected 58.5.
- Equity:** The S&P 500 gained 0.29%, as companies continue to release strong earnings. European stocks hit a ten-year high after Eurozone third-quarter gross domestic product growth surprised to the upside. Emerging markets bounced back and the MSCI EM index was up almost 1.5%.
- Fixed Income:** Broad domestic and global fixed income indices were up around 0.4% for the week. The Fed left short-term interest rates unchanged and the yield curve flattened during the week with 10 year T-Notes down 7 bps and 2 year T-Notes up 3 bps. President Trump nominated Jerome Powell to succeed Janet Yellen as Fed chair.
- Corporate News/Earnings:** With more than 80% of the companies in the S&P500 index having reported third quarter results, the estimated earnings growth rate has increased from 4.4% last week to 5.9%. The sales growth rate also increased from 5.6% last week to 5.8%.
- Political and Policy News:** Republican majority leaders in the U.S. House of Representatives released details of their tax legislation on Thursday.

Index/Portfolio Returns	% Change Week	% Change QTD	% Change YTD
Barclays US Aggr Bond	0.44%	0.21%	3.36%
Barclays Global Aggr Bond	0.42%	-0.47%	5.75%
Barclays US Corp High Yield	0.04%	0.41%	7.44%
JPM Emerging Mkts Bond	-0.18%	-0.27%	8.43%
S&P Equity 500	0.29%	2.85%	17.50%
Russell 3000 All Cap	0.19%	2.59%	16.86%
Russell 2000 Small Cap	-0.87%	0.34%	11.32%
NASDAQ Composite	0.96%	4.18%	26.76%
S&P Global BMI	0.65%	2.48%	20.73%
MSCI EAFE	0.92%	1.83%	22.16%
MSCI EAFE Small Cap	1.31%	1.92%	27.83%
MSCI Emerging Markets	1.45%	4.17%	33.11%

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