



# WEEKLY MARKET WRAP

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Friday marked the ninth anniversary of the bull market, which began after stocks hit their low point of the financial crisis in March 2009. It is the second-longest bull market in history, trailing only the bull market of October 1990 to March 2000. U.S. stock indices rallied, recovering ground they had lost the previous week and the S&P 500 rose more than 3.5%. Outside the U.S., European stocks performed well, followed by emerging markets. U.S. Treasury yields fluctuated during the week as investors focused on new trade tariffs and a stronger-than-expected employment report and total returns for both the Barclays U.S. and Global Aggregate bond indices were negative.

- Economic Data:** The *ISM non-manufacturing index* declined to 59.5 in February, beating the consensus expected 59.0. The major measures of activity were mixed in February, but all remain above 50, signaling expansion. The *new orders index* increased to 64.8 from 62.7, which is the highest reading since end of 2005. The *employment index* fell to 55.0 from 61.6 in January. The *trade deficit* in goods and services came in at \$56.6 billion in January, larger than the consensus expected \$55.0 billion. The disappointing part in the report was not that the trade deficit increase, but that total trade fell by \$2.7 billion because it is the total volume of trade, imports plus exports, that signals how much value the global consumer finds in trading. The job market boomed in February and *nonfarm payrolls* grew 313,000 in February, beating the consensus expected 205,000. It was the largest increase in 19 months and beat the forecast of most economic groups. Average hourly earnings rose 0.1% in February and are up 2.6% versus a year ago. The unemployment rate remained at 4.1%.
- Equity:** Both domestic and international equity markets performed very well last week supported by strong economic data and lifted stock prices higher despite fears of a trade war starting with U.S. tariffs on steel and aluminum imports. The best performing domestic sectors were industrials and information technology, while the laggards were the defensive sectors, with the worst being utilities and consumer staples.
- Fixed Income:** U.S. Treasury yields fluctuated last week as investors focused on new trade tariffs and a stronger-than-expected employment report. Domestic non-Treasury total returns fell further into negative territory for the year for all sectors except high yield corporates and preferred securities. The Global Aggregate Index produced the lowest total return across sectors last week, as the Asian Pacific region posted weak returns.
- Political and Policy News:** President Trump followed through with plans to impose global tariffs on steel and aluminum imports and economic advisor Gary Cohn's resigned.

Index/Portfolio Returns	% Change Week	% Change QTD	% Change YTD
Barclays US Agg Bond TR	-0.12%	-2.22%	-2.22%
Barclays US Corp High Yield TR	0.35%	-0.40%	-0.40%
Barclays Global Aggregate TR	-0.19%	0.55%	0.55%
JPM EMBI Global TR	0.20%	-2.11%	-2.11%
S&P 500 TR	3.59%	4.63%	4.63%
Russell 3000 TR	3.63%	4.52%	4.52%
Russell 2000 TR	4.20%	4.21%	4.21%
NASDAQ Composite TR	4.20%	9.76%	9.76%
S&P Global BMI NR	2.75%	2.59%	2.59%
MSCI EAFE NR	1.86%	-0.15%	-0.15%
MSCI EAFE Small Cap NR	2.27%	1.70%	1.70%
MSCI Europe NR	3.11%	-0.16%	-0.16%
MSCI EM NR	2.17%	4.43%	4.43%

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