



WEEKLY MARKET WRAP

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U.S. stock indices climbed slightly while global equity markets were mixed. In Europe, weaker-than expected economic data and concerns regarding potential trade policy changes weighed on the markets. The Pan-European Euro Stoxx 600 Index and FTSE 100 dropped 0.8% and 0.6%, respectively. The Barclays U.S. Agg Bond index was up 0.74% as European uncertainty and fed minutes drove yields down and the global Aggregate index underperformed as the European region posted a negative return and lagged U.S. Treasuries.

- Economic Data:** Existing home sales cooled in April as a lack of available listings continues to weigh on activity. Sales of previously owned homes fell 2.5% to a 5.46 million annual rate, below the consensus expected 5.55 million. Sales are down 1.4% versus a year ago. New single-family home sales declined 1.5% in April to a 662,000 annual rate, below the consensus expected 680,000. Sales are up 11.6% from a year ago. New orders for durable goods declined 1.7% in April, coming in below the consensus expected decline of 1.3%. Orders excluding transportation rose 0.9% in April, beating the consensus expected rise of 0.5%. Orders are up 7.8% from a year ago while orders excluding transportation are up 7.9%. U.S. Purchasing Managers Index (PMI) rose 0.1 to 56.6 in May, the strongest improvement in business conditions since 2014.
- Equity:** The U.S. trade argument with China and Europe continued and investor sentiment turned against risk assets. European stocks fell due to weaker economic data and worries in Italy. Japanese stocks declined as the yen gained versus the U.S. dollar and euro. Oil posted its first weekly decline in seven weeks. Key oil producers Saudi Arabia and Russia hinted they were ready to ease production curbs, a move that could add significant supply back to the market and depress prices.
- Fixed Income:** U.S. Treasury bonds rallied last week, with yields falling 14 basis points after the Federal Reserve's meeting minutes revealed a willingness to permit inflation to run higher than the 2% target. Intermediate and long Treasury yields saw the largest weekly decline of the year. U.S. 10-year Treasury yields fell below the important 3% level. Every taxable fixed income sector produced positive total returns, except high yield corporate bonds. The Global Aggregate Index underperformed as the European region posted a negative return and lagged U.S. Treasuries. Italian government bond yields hit their highest levels versus German peers since 2013.

Index/Portfolio Returns	% Change Week	% Change QTD	% Change YTD
Barclays US Agg Bond TR	0.74%	-0.55%	-2.01%
Barclays US Corp High Yield TR	-0.01%	0.65%	-0.22%
Barclays Global Aggregate TR	0.41%	-2.75%	-1.42%
JPM EMBI Global TR	1.35%	-2.01%	-3.76%
S&P 500 TR	0.33%	3.37%	2.58%
Russell 3000 TR	0.30%	3.64%	2.97%
Russell 2000 TR	0.03%	6.52%	6.43%
NASDAQ Composite TR	1.09%	5.43%	8.16%
S&P Global BMI NR	-0.36%	2.06%	1.18%
MSCI EAFE NR	-1.53%	1.32%	-0.23%
MSCI EAFE Small Cap NR	-0.71%	1.39%	1.64%
MSCI Europe NR	-1.91%	1.13%	-0.88%
MSCI EM NR	-0.02%	-2.65%	-1.27%

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