



Market Week: January 2, 2018

The Markets (as of market close December 29, 2017)

While 2017 surely was a strong year for equities overall, the last week of the year was lackluster at best. Each of the benchmark indexes listed here posted week-over-week losses, except for the Global Dow, which increased 0.23%. Much of last week's performance could be attributable to nothing more than light trading during the holiday-shortened week. The Nasdaq, which led the way for the year, lost the most ground, followed by the small-cap Russell 2000. The large-cap indexes of the Dow and S&P 500, which had been consistent gainers all year, pulled back the last week of 2017. Long-term bond prices rose, pushing yields on the 10-year Treasuries down more than 7 basis points by the end of the week.

The price of crude oil (WTI) climbed to \$60.10 per barrel last Friday, up from the prior week's closing price of \$58.35 per barrel. The price of gold (COMEX) rose to \$1,305.10 by early Friday evening, ahead of the prior week's price of \$1,279.10. The national average retail regular gasoline price increased to \$2.472 per gallon on December 25, 2017, \$0.022 above the prior week's price and \$0.163 more than a year ago.

Table with 6 columns: Market/Index, 2016 Close, Prior Week, As of 12/29, Weekly Change, YTD Change. Rows include DJIA, Nasdaq, S&P 500, Russell 2000, Global Dow, Fed. Funds target rate, and 10-year Treasuries.

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

Last Week's Economic Headlines

- The international trade deficit was \$69.7 billion in November, up \$1.6 billion, or 2.3%, from \$68.1 billion in October. Exports of goods for November were \$133.7 billion, \$3.8 billion more than October exports. Imports of goods for November were \$203.4 billion, \$5.4 billion more than October imports.
The Conference Board Consumer Confidence Index® fell to 122.1 in December, down from 128.6 in November. The Present Situation Index, which measures consumers' views on the present state of the economy, increased from 154.9 to 156.6, although the Expectations Index declined from 111.0 in November to 99.1 in December.
In the week ended December 23, initial claims for unemployment insurance was 245,000, unchanged from the previous week's level. The advance insured unemployment rate remained 1.4%. The advance number of those receiving unemployment insurance benefits during the week ended December 16 was 1,943,000, an increase of 7,000 from the previous week's level, which was revised up 4,000.

Key Dates/Data Releases

1/2: PMI Manufacturing Index

1/3: ISM Manufacturing Index

1/4: Employment situation, international trade, ISM Non-Manufacturing Index

Eye on the Week Ahead

The first week of 2018 should see trading pick up. The December 2017 employment report is out this Friday, which could reveal a slight drop in the unemployment rate.

Data sources: News items are based on reports from multiple commonly available international news sources (i.e. wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. Market data: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. Market indices listed are unmanaged and are not available for direct investment.

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