

# The Market Week in Review

For Week Ending June 17, 2017

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## THE MARKETS

In a week which saw a Fed interest rate hike and a historic corporate acquisition of Whole Foods Markets by Amazon, stocks moved modestly lower. Despite the Fed hike, the benchmark 10 Year Treasury Note yield moved five basis points lower to 2.15%. After briefly plunging on Friday, the dollar remained relatively soft in the 97 range. Commodities generally had a rough week with gold losing about \$15 of ground to close at \$1,255 an ounce and oil falling another dollar to \$44.67.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	21,271.97	21,384.28	112.31	0.53%	8.21%
Nasdaq	6,207.92	6,151.76	-56.16	-0.90%	14.28%
S&P 500	2,431.77	2,433.15	1.38	0.06%	8.68%
Russell 2000	1,421.71	1,406.73	-14.98	-1.05%	3.65%

## DAILY DEVELOPMENTS

### MONDAY

There was no major economic news on Monday.

### TUESDAY

The Bureau of Labor Statistics' Producer Prices Index showed no change in prices during the month of May. Excluding food and energy, which have both seen recent weakness, prices increased a better than expected 0.3%. Energy was the month's softest component, falling 3.0% while trade services (an increasingly important component) rose 1.1%.

### WEDNESDAY

Retail sales contracted 0.3% during the month of May, according to the Census Bureau. Excluding autos, the reading was the same. Weakness was seen across the board, mainly in department stores, gasoline stations, and appliances stores.

The Federal Reserve raised its key interest rate to the 1% to 1.25% range and offered details on how it plans to start selling the \$4 trillion worth of bonds it bought under its quantitative easing policy. Chairwoman Janet Yellen said the decision to go ahead with both actions reflects the central bank's confidence in the prospects for the U.S. economy.

### THURSDAY

Initial jobless claims fell 8,000 in the June 10<sup>th</sup> week to 237,000 which was 6,000 lower than expected by most polled economists. The four week average, however, rose slightly to 243,000. Continuing claims for the week of June 3<sup>rd</sup> rose 6,000 to 1.94 million where the four week average was little changed at 1.93 million. There were no special factors in this report, although Hawaii and Louisiana had to be estimated.

The Philadelphia Fed's Business Outlook Survey for June showed acceleration in the manufacturing sample, although the index as a whole slowed from May's outsized gain. New orders were strong at 25.9 and are fueling backlogs which spiked five points higher to 14.0. Backlogs signal a positive outlook for employment, and hiring remained strong at 20.5.

### FRIDAY

Housing starts fell 5.5% to a 1.09 million annualized unit rate in May, according to the National Association of Homebuilders. Signaling further future weakness, permits fell 4.9%. All components of the report showed declines with single family starts slipping 3.9% and multi family starts skidding 9.7%. Total completions, however, were up 5.6% which added to the market's thin supply.

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## TIDBITS

In a clear sign of Amazon's heft, major publicly traded grocery stores and food companies lost a combined \$40 billion in market capitalization after the web giant's \$13.7 billion purchase of Whole Foods.

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## QUOTE OF THE WEEK

“The reason that ‘guru’ is such a popular word is because ‘charlatan’ is so hard to spell.”

– William Bernstein

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We hope you have found the information in this week’s market summary informative. If you would like to comment on any of the information found in this week’s Market Week in Review please email us at [firm@estatecounselors.com](mailto:firm@estatecounselors.com). If you would like to discuss how current market conditions could impact your investments, please feel free to call us at the number listed below.

Best regards,

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