

The Market Week in Review

For Week Ending May 6, 2017

THE MARKETS

After two full months, the S&P 500 closed at a fresh all-time high, just pennies shy of 2,400. The Nasdaq, which has been on a run, also reached another record close and the Dow is back above 21,000. Many pundits believe the Macron's lead going into the French election on Sunday is pushing stocks around the globe higher. Crude oil, on the other hand, moved lower throughout the week and closed at \$46.32. Interest rates rose and the benchmark 10 Year Note yield moved five basis points higher to 2.35% by week's end.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	20,940.51	21,006.94	66.43	0.32%	6.30%
Nasdaq	6,047.61	6,100.76	53.15	0.88%	13.33%
S&P 500	2,384.20	2,399.29	15.09	0.63%	7.17%
Russell 2000	1,400.43	1,396.99	-3.44	-0.25%	2.94%

DAILY DEVELOPMENTS

MONDAY

Personal income rose 0.2% in March, missing expectations by a tenth. The Bureau of Economic Analysis' report also showed consumer spending was flat, also missing by a tenth. The Personal Consumption and Expenditures Index, the Fed's preferred method of measuring inflation, fell 0.2% with the core reading slipping 0.1% which is the weakest in over 16 years.

The Institute of Supply Managers' Manufacturing Index registered 54.8 in April, which after seven months of beating expectations fell short by seven tenths. Still, levels above 50 indicate expansion and production was up one point to 58.6 and new orders were 57.5. Continued strength in new orders has pushed backlogs up to 57.

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TUESDAY

There was no major economic news on Tuesday.

WEDNESDAY

The Federal Open Market Committee announced that they are not changing the target range of 0.75%-1.00% for the Federal Funds interest rate after their two day meeting ending on Wednesday. The Fed's post-meeting statement cited a decline in the core Personal Consumption and Expenditures Index, but also that prices are expected to move higher in the near future. It was also noted that business investment "firmed".

THURSDAY

Initial jobless claims during the April 29th week registered 238,000, according to the Department of Labor. The drop of 19,000 was 8,000 better than most polled economists had expected. Continuing claims in the April 22nd week were also down a favorable 23,000 with the four week average dropping by nearly as much to 1.99 million. There were no special factors in the report.

FRIDAY

Nonfarm payrolls increased 211,000 in April according to the Bureau of Labor Statistics, beating expectations by 16,000. However, the March number was revised 19,000 lower to only 79,000. The unemployment rate fell another tenth to 4.4%, which is the lowest reading since May 2001, although the labor participation rate also fell a tenth to 62.9%. Average hourly earnings are up only 2.5% for the one year period.

TIDBITS

The VIX fell to single digits this week which is the lowest it's been in 10 years.

QUOTE OF THE WEEK

"Some people are so boring they make you waste an entire day in five minutes."

- Jules Renard

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. 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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