

## Virginia Asset Group

Darin M. Ely  
President  
2901 S. Lynnhaven Rd.  
Ste. 230  
Virginia Beach, VA 23452  
757-747-2556  
877-747-2557  
dely@virginiaassetgroup.com  
www.virginiaassetgroup.com



# Market Week: January 16, 2017



## The Markets (as of market close January 13, 2017)

The past few weeks have seen the markets experience some volatility following several weeks of post-election gains. The Dow fell for the second time in the past three weeks, while the S&P 500 stayed about the same. Both the Global Dow and Russell 2000 posted marginal gains last week, while the Nasdaq gained almost a point. It appears that investors are in a wait-and-see mode until the president-elect's new policies gain some traction.

The price of crude oil (WTI) fell again last week, closing at \$52.52 per barrel, down from the prior week's closing price of \$53.70 per barrel. The price of gold (COMEX) increased, closing at \$1,197.30 by late Friday afternoon, up from the prior week's price of \$1,172.60. The national average retail regular gasoline price increased for the sixth week in a row to \$2.388 per gallon on January 9, 2017, \$0.011 more than the prior week's price and \$0.392 higher than a year ago.

Market/Index	2016 Close	Prior Week	As of 1/13	Weekly Change	YTD Change
DJIA	19762.60	19963.80	19885.73	-0.39%	0.62%
Nasdaq	5383.12	5521.06	5574.12	0.96%	3.55%
S&P 500	2238.83	2276.98	2274.64	-0.10%	1.60%
Russell 2000	1357.13	1367.28	1372.05	0.35%	1.10%
Global Dow	2528.21	2577.90	2598.07	0.78%	2.76%
Fed. Funds target rate	0.50%-0.75%	0.50%-0.75%	0.50%-0.75%	0 bps	0 bps
10-year Treasuries	2.44%	2.42%	2.39%	-3 bps	-5 bps

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 Headlines

- Retail and food services sales climbed 0.6% in December over November. However, much of the increase was tied to soaring automobile sales. Less auto sales, retail sales advanced only 0.2% during the busy holiday shopping season. Consumers really didn't increase their spending in December, as sales, excluding autos and gas, were flat. Nevertheless, total sales were up 4.1% from December 2015. Nonstore (online) retail sales were up 13.2% from December 2015, while miscellaneous stores were up 7.1% from last year.
- Producer prices continued edging higher in December, increasing 0.3% following November's 0.4% advance. In December, nearly 80% of the increase was attributable to a 0.7% increase in goods, led by increasing energy prices. Services inched up only 0.1%. Prices less foods, energy, and trade services moved up 0.1% in December after rising 0.2% in November. In 2016, the index less foods, energy, and trade services climbed 1.7% following a 0.3% advance in 2015.
- While a bit dated, the Job Openings and Labor Turnover report from the Bureau of Labor Statistics

## Key Dates/Data Releases

1/18: Consumer Price Index, industrial production

1/19: Housing starts

provides useful information on the number of job openings, hires, and quits. The latest edition for November 2016 shows the number of job openings was little changed at 5.5 million. Over the month, hires and separations were also little changed at 5.2 million and 5.0 million, respectively. The total separations rate was 3.5% for the month (3.4% in October). Within separations, the quits rate was unchanged at 2.1% and the layoffs and discharges rate was unchanged at 1.1%. The job openings rate was 3.7% in November (3.6% in October), while the hires rate was 3.6% (unchanged from the prior month).

- According to the latest information from the Bureau of Labor Statistics, import prices resumed an upward trend in December, rising 0.4%, after a 0.2% decline the previous month. The advance in December was primarily driven by higher fuel prices, which advanced 7.3% — the largest monthly increase since the index rose 10.5% in June. Excluding fuel, the import price index fell 0.2% for December. Prices for overall imports advanced 1.8% between December 2015 and December 2016, the largest 12-month increase since the index rose 3.5% in March 2012. U.S. export prices increased in December, rising 0.3% following a 0.1% decrease in November. Prices for overall exports rose 1.1% for the year ended in December, the first 12-month increase since the index advanced 0.4% in August 2014 and the largest over-the-year rise since a 1.5% increase in February 2013.
- The federal deficit shrunk in December compared to November. The December deficit was \$27.5 billion compared to \$136.6 billion the prior month. Government receipts were \$319.2 billion, up from \$199.8 billion in November, while expenditures were \$346.7 billion — about \$10 billion ahead of November's receipts. These figures are comparable to December 2015, when the deficit was \$14.4 billion. For fiscal 2017, which begins in October, the deficit is \$208.4 billion compared to \$215.5 billion for the first three months of fiscal 2016. Thus far for FY 2017, total receipts are \$740.8 billion (\$765.6 billion over the same three-month period in 2015), while total outlays are \$949.1 billion (\$981.2 billion last year).
- Consumer confidence remained at roughly the same level in January as it was in December, according to the Surveys of Consumers from the University of Michigan. Consumers maintained the same level of confidence in the current economic conditions, although consumer expectations waned a bit in January from December.
- In the week ended January 7, the advance figure for seasonally adjusted initial unemployment insurance claims was 247,000, an increase of 10,000 from the previous week's revised level of 237,000. The advance seasonally adjusted insured unemployment rate remained at 1.5%. The advance number for seasonally adjusted insured unemployment during the week ended December 31 was 2,087,000, a decrease of 29,000 from the previous week's revised level.

## Eye on the Week Ahead

Corporate earnings reports could influence equities as investors look to whether companies finished the year strong. Consumer prices have climbed at an annual rate of 1.7% through November. The last report for 2016 on the CPI is out this week as prices push toward the Fed's target inflation rate of 2.0%.

*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.*

---

Investment and insurance products and services are offered through INFINEX INVESTMENTS, INC. Member FINRA/SIPC. Infinex and the bank are not affiliated. Products and services made available through Infinex are not insured by the FDIC or any other agency of the United States and are not deposits or obligations of nor guaranteed or insured by any bank or bank affiliate. These products are subject to investment risk, including the possible loss of value.

NOT FDIC-INSURED. NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY. NOT GUARANTEED BY THE BANK. MAY GO DOWN IN VALUE.