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Market Week: April 17, 2017



The Markets (as of market close April 14, 2017)

With the United States and many global markets closed for Good Friday, stocks ended the short trading week lower. Trading volumes were low for much of the week, as investors may be concerned with rising tensions overseas in Syria and North Korea, and the continuation of strained diplomatic relations with Russia. Of the indexes listed here, only the Dow's losses were under 1.0%. On the other hand, the Russell 2000 and Nasdaq suffered the largest dips, falling 1.42% and 1.24% respectively.

The price of crude oil (WTI) increased last week, closing at \$52.91 per barrel, up from the prior week's closing price of \$52.29 per barrel. The price of gold (COMEX) continued to climb, closing at \$1,290.10 by late Friday afternoon, up from the prior week's price of \$1,256.10. The national average retail regular gasoline price increased to \$2.360 per gallon on April 3, 2017, \$0.045 higher than the prior week's price and \$0.277 more than a year ago.

Market/Index	2016 Close	Prior Week	As of 4/14	Weekly Change	YTD Change
DJIA	19762.60	20656.10	20453.25	-0.98%	3.49%
Nasdaq	5383.12	5877.81	5805.15	-1.24%	7.84%
S&P 500	2238.83	2355.54	2328.95	-1.13%	4.03%
Russell 2000	1357.13	1364.56	1345.24	-1.42%	-0.88%
Global Dow	2528.21	2678.27	2649.04	-1.09%	4.78%
Fed. Funds target rate	0.50%-0.75%	0.75%-1.00%	0.75%-1.00%	0 bps	25 bps
10-year Treasuries	2.44%	2.38%	2.23%	-15 bps	-21 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

- Inflation, which had been trending upward, took a somewhat unexpected reversal of course in March as the Consumer Price Index fell 0.3% from the prior month. Over the last 12 months, the CPI rose 2.4% compared to a 2.7% gain for the 12 months ended in February. The March decline was the first monthly decrease since February 2016. A decline in gasoline prices was the largest factor contributing to the drop in prices. But even excluding food and energy (core prices), the CPI fell 0.1% for the month and is up 2.0% over last 12 months compared to a gain of 2.2% for the 12 months ended in February. Core prices haven't fallen since January 2010.
- The Producer Price Index fell 0.1% in March following increases of 0.3% in February and 0.6% in January. The index rose 2.3% for the 12 months ended March 2017, the largest increase since moving up 2.4% for the 12 months ended March 2012. For the 10th straight month, prices less foods, energy, and trade services edged up 0.1%, and have climbed 1.7% for the 12 months ended in March 2017.
- Retail sales decreased 0.2% in March, falling for the second straight month. February's sales were

revised to a 0.3% decrease, which represents the largest two-month fall in retail sales since January and February of 2015.

- Job openings increased in February while the number of new hires dropped — an indication that employers may be having a hard time filling positions. According to the latest Job Openings and Labor Turnover Summary, there were 5.743 million job openings in February compared to 5.625 million job openings in January. The number of hires fell, moving from 5.424 million hires in January to 5.341 million hires in February. Total separations (quits, layoffs, and discharges) also dropped in February, which saw 5.071 million separations compared to 5.247 million the prior month. Job openings increased in health care and social assistance, accommodation and food services, and finance and insurance. Hires increased in retail trade and mining and logging, but decreased in federal government. Over the 12 months ended in February, hires totaled 63.0 million and separations totaled 60.6 million, yielding a net employment gain of 2.4 million.
- Driven by lower fuel prices, U.S. import prices declined 0.2% in March, according to the Bureau of Labor Statistics. Over the past 12 months ended in March, import prices have advanced 4.2%. The price index for import fuel declined 3.8% in March, the largest one-month drop since the index fell 6.8% in February 2016. In contrast to fuel prices, nonfuel import prices increased in March, rising 0.2% following a 0.4% increase in February. The price index for nonfuel imports advanced 1.0% over the past 12 months, the largest 12-month advance since the index increased 1.3% in April 2012. Export prices increased 0.2% for the month, after advancing 0.3% in February. U.S. export prices also increased over the past year, rising 3.6% for the year ended in March. That matched the 12-month advance recorded in December 2011 and was the largest 12-month increase since the index rose 4.8% in November 2011.
- The government deficit fell in March to \$176.2 billion, down from February's \$192.0 billion. Year-to-date, the deficit sits at \$526.9 billion, which is \$67.5 billion more than the deficit over the same period last year.
- In the week ended April 8, the advance figure for seasonally adjusted initial claims for unemployment was 234,000, a decrease of 1,000 from the previous week's revised level. The previous week's level was revised up by 1,000 to 235,000. The advance seasonally adjusted insured unemployment rate remained at 1.5%. The advance number for seasonally adjusted insured unemployment during the week ended April 1 was 2,028,000, a decrease of 7,000 from the previous week's revised level.

Eye on the Week Ahead

The housing sector has been volatile, with existing home sales lagging while sales of new homes have surged. Equities look to recover following last week's dip.

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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