

## Virginia Asset Group

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# Market Week: July 24, 2017



## The Markets (as of market close July 21, 2017)

Except for the Dow, each of the indexes listed here posted modest gains by the close of last week. Favorable corporate earnings reports helped boost the S&P 500 and the Nasdaq, which performed the best. The Russell 2000 gained almost 0.50% and the Global Dow inched ahead a little over 0.1%. Year-to-date, the tech-heavy Nasdaq leads the way as it surges toward a 20.0% gain, followed by the Global Dow, the S&P 500, the Dow, and the Russell 2000. Low inflation may be influencing investors to move away from Treasuries, as yields fell sharply last week. A midweek push in oil prices wasn't enough to keep them from closing the week below \$46 per barrel.

The price of crude oil (WTI) closed at \$45.60 per barrel, down from the prior week's closing price of \$46.68 per barrel. The price of gold (COMEX) closed last week at \$1,261.10 by late Friday afternoon, \$33.10 ahead of the prior week's price of \$1,228.00. The national average retail regular gasoline price decreased to \$2.278 per gallon on July 17, 2017, \$0.019 lower than the previous week's price, but \$0.048 higher than a year ago.

Market/Index	2016 Close	Prior Week	As of 7/21	Weekly Change	YTD Change
<b>DJIA</b>	19762.60	21637.74	21580.07	-0.27%	9.20%
<b>Nasdaq</b>	5383.12	6312.47	6387.75	1.19%	18.66%
<b>S&amp;P 500</b>	2238.83	2459.27	2472.54	0.54%	10.44%
<b>Russell 2000</b>	1357.13	1428.82	1435.84	0.49%	5.80%
<b>Global Dow</b>	2528.21	2829.44	2833.20	0.13%	12.06%
<b>Fed. Funds target rate</b>	0.50%-0.75%	1.00%-1.25%	1.00%-1.25%	0 bps	50 bps
<b>10-year Treasuries</b>	2.44%	2.33%	2.23%	-10 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 Economic Headlines

- Fluctuations in import and export prices provide a useful gauge of inflationary trends both domestically and abroad. In June, import and export prices declined 0.2%, respectively. Over the last 12 months, import prices have risen 1.5%, while export prices have increased 0.6% over the same period. This report is in line with other inflationary indicators, which show that price growth has stagnated during the second quarter of the year.
- The beginning of summer has seen new residential construction gain momentum following a lackluster spring. For June, the number of housing starts (residential construction that's begun) jumped 8.3% over May, the number of building permits issued increased by 7.4%, and housing completions advanced 5.2%.
- In the week ended July 15, the advance figure for seasonally adjusted initial claims for unemployment

#### Key Dates/Data Releases

7/24: Existing home sales

7/25: Consumer confidence

7/26: New home sales,  
FOMC meeting report

7/27: Durable goods orders,  
international trade in goods

7/28: GDP, consumer  
sentiment

insurance was 233,000, a decrease of 15,000 from the previous week's revised level. The previous week's level was revised up by 1,000 from 247,000 to 248,000. The advance seasonally adjusted insured unemployment rate remained 1.4%, unchanged from the previous week's unrevised rate. During the week ended July 8, there were 1,977,000 receiving unemployment insurance benefits, an increase of 28,000 from the previous week's revised level. The previous week's level was revised up by 4,000 from 1,945,000 to 1,949,000.

### Eye on the Week Ahead

The FOMC meets this week; however it is not expected that the Committee will increase interest rates at this meeting. The FOMC next meets at the end of September. The latest economic information on the second-quarter GDP is released at the end of this week. According to the first report for the second quarter, the economy slowed compared to the first quarter — advancing at a rate of 1.4%. Reports for new and existing home sales for June are also available this week. Existing home sales climbed 1.1% in May, while new home sales advanced 2.9%.

*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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