

THE WEEK IN REVIEW

With a re-emergence of volatility and risk-off sentiment spreading across global markets this week, the S&P 500 Index and Dow Jones Industrial Average fell by 6.0% and 5.7%, respectively. Meanwhile, so-called safe haven assets including gold, long-dated U.S. government bonds and the Japanese yen either held their value or advanced. U.S. crude oil price futures pushed higher by 3.2% to close the week at \$65.90 per barrel. Oil prices were buoyed by lower than expected U.S. inventories and President Trump's appointment of Iran nuclear deal opponent, Joseph Bolton, as National Security Advisor.

On Monday, social media giant Facebook, Inc. led U.S. stocks lower after shares fell 6.8% in the wake of reports that a British political advertising firm gained access to over 50 million users without their consent. As the week progressed, U.S. and European lawmakers called for Facebook CEO Mark Zuckerberg to testify in response to its burgeoning privacy issues. Also on Monday, pharmaceutical stocks came under pressure after President Trump indicated his administration is considering bringing litigation against groups of drug-makers for their roles in the opioid epidemic plaguing the nation.

Wednesday afternoon, the Federal Open Market Committee (FOMC), meeting for the first time under new chairman Jerome Powell's leadership, raised the central bank's benchmark rate by 0.25% to a range of 1.50% to 1.75%. The hike was widely anticipated, so most of the market reaction appeared to be related to changes in the FOMC's so-called dot plot, which serves to indicate FOMC members' rate path expectations. According to the dot plot, the FOMC's baseline projection is for three total quarter point hikes in 2018, another three in 2019 and two in 2020. Major U.S. equity averages saw accelerated selling on Thursday and Friday, as investors grappled with how the Trump Administration's new tariffs on Chinese goods might affect the U.S. economy and overall international trade. China announced a much smaller set of retaliatory measures against U.S. goods and indicated it could reduce its purchases of U.S. government bonds moving forward.

In the housing market this week, sales of existing homes in the U.S. during February increased 3.0% to an annualized rate of 5.54 million units following two consecutive monthly declines. Supply was approximately 8.0% lower than one year ago, while the median sales price increased 5.9% to \$241,700 from February 2017. New homes sales in February slowed for a third straight month to an annualized rate of 618,000 units, while the median sales price increased 9.7% year-over-year to \$326,800. The set of new home sales data points suggests climbing prices and muted new construction may be discouraging buyers.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
Existing Home Sales (Millions Annualized)	5.54	5.72	▼
New Home Sales (Thousands Annualized)	618	711	▼
Durable Goods Orders	3.1%	1.7%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	23533.20	-5.67%	-4.80%	13.93%
NASDAQ	6992.67	-6.54%	1.29%	20.20%
S&P 500 Large Cap	2588.26	-5.95%	-3.19%	10.33%
MSCI EAFE	2015.98	-1.35%	-1.70%	12.44%
Barclays Aggregate US	2005.96	0.03%	-1.97%	0.85%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.72%	1.64%	0.76%
10-Year Treasury	2.81%	2.87%	2.42%

REPORTS DUE NEXT WEEK	LATEST
Conf. Board Consumer Confidence	130.8
Core PCE Price Index (YoY)	1.5%
U. of Mich. Consumer Sentiment	102.0
Personal Income (YoY)	4.4%
Personal Spending (YoY)	2.8%

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.

Opinions herein are as of the publication date; and are subject to change without notice, they are not statements of facts and may include "forward-looking statements" which may or may not be accurate over the long term. The week is calculated beginning with Monday's market open. Report includes candid statements and observations regarding investment strategies, asset allocation, individual securities, and economic and market conditions. Statements, opinions or forecasts not guaranteed. Do not place undue reliance on forward-looking statements. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Indices and sector statistics are unmanaged and are a common measure of performance of their respective asset classes. Indices are not available for direct investment. Past performance is not indicative of future results. The value of investments and the income derived from investments can go down as well as up. Future returns are not guaranteed, and a loss of principal may occur. Investing for short periods may make losses more likely. Not a deposit, not FDIC insured, may lose value, not bank guaranteed, not insured by any federal government agency.