



## FINANCIAL MARKET UPDATE

4/20/18

### THE WEEK IN REVIEW

U.S. stocks extended their gains from last week despite weakness on Thursday and Friday. The Dow Jones Industrial Average, S&P 500 Index and NASDAQ Composite Index all advanced at least 0.4% on the week, led by the energy and industrial sectors. Fixed income markets were pressured, as yields on the benchmark 10-year U.S. Treasury bond climbed from 2.83% last Friday to close the week at a four-year high of 2.96%. In commodity markets, U.S. crude oil futures extended their recent gains to finish the week at \$68.15 per barrel. Industrial metal prices, including aluminum and iron ore, posted some of this week's biggest gains against a backdrop of Russian sanctions.

Earnings season was in full swing this week, as 57 S&P 500 companies reported quarterly results headlined by Bank of America Corp., Netflix Inc., Johnson & Johnson, Goldman Sachs & Co., and International Business Machines. According to Bloomberg data, of the 69 S&P 500 companies to have reported quarterly results as of the end of this week, 82% have exceeded analysts' earnings expectations. High profile companies to report next week include Google parent Alphabet Inc., industrial conglomerate United Technologies Corp., global beverage giant The Coca-Cola Co., construction equipment-maker Caterpillar Inc. and embattled social network platform Facebook, Inc.

Notable economic headlines from this week included March retail sales which registered monthly sequential growth of 0.6%, surpassing expectations by 0.2%. March sales exceeded February by 0.7%; February sales were revised down to -0.1%. The main driver in March was auto sales which improved 2.0%. Excluding auto sales, March retail sales would have only seen a 0.2% increase. Other positive areas included non-store retailers which were up 0.8%, furniture stores up 0.7%, and restaurants up 0.4%. Some of the largest detractors to sales growth were sporting goods (1.8%), clothing stores (0.8%), and building materials (0.6%). First quarter of 2018 retail sales were up 4.1% compared to the first quarter of 2017. It appears service sector spending is driving overall consumer spending so far in 2018.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
Existing Home Sales (Millions Annualized)	5.54	5.72	▼
Industrial Production (Monthly)	0.51%	0.45%	▲
Retail Sales (Monthly)	0.6%	-0.1%	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	24462.94	0.42%	-1.04%	18.87%
NASDAQ	7146.13	0.56%	3.52%	20.78%
S&P 500 Large Cap	2670.14	0.52%	-0.13%	13.34%
MSCI EAFE	2064.24	1.07%	0.66%	15.73%
Barclays Aggregate US	2003.40	-0.42%	-2.10%	-0.34%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.80%	1.79%	0.79%
10-Year Treasury	2.96%	2.90%	2.23%

REPORTS DUE NEXT WEEK	LATEST
Existing Home Sales (Millions Annualized)	5.54
Conf. Board Consumer Confidence	127.7
Durable Goods Orders	3.0%
GDP (QoQ Annualized)	2.9%

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

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