



## Evans Financial Group, Independent Firm

Kelley Evans  
President  
7935 E Prentice Ave., Ste 311  
Greenwood Village, CO 80111  
303-221-2033  
Kelley.Evans@raymondjames.com  
www.evans-financial.com



# Market Week: February 27, 2017

## The Markets (as of market close February 24, 2017)

Most of the benchmark indexes listed here rallied by the close of the market last Friday to finish ahead for the week. The Dow led the way by marking its 11th consecutive day of positive gains, followed by the S&P 500, which has not experienced a daily swing of more than 1.0% since mid-December. Favorable corporate earnings reports and higher oil prices, which boosted energy stocks, helped drive the large-cap indexes upward. The Nasdaq barely finished in the black, while the Russell 2000 closed down by more than a quarter of a percent.

The price of crude oil (WTI) rose, closing at \$54.03 per barrel, up from the prior week's closing price of \$53.37 per barrel. The price of gold (COMEX) increased, closing at \$1,258.00 by late Friday afternoon, up from the prior week's price of \$1,236.00. The national average retail regular gasoline price decreased to \$2.302 per gallon on February 20, 2017, \$0.005 less than the prior week's price but \$0.572 more than a year ago.

Market/Index	2016 Close	Prior Week	As of 2/24	Weekly Change	YTD Change
<b>DJIA</b>	19762.60	20624.05	20821.76	0.96%	5.36%
<b>Nasdaq</b>	5383.12	5838.58	5845.31	0.12%	8.59%
<b>S&amp;P 500</b>	2238.83	2351.16	2367.34	0.69%	5.74%
<b>Russell 2000</b>	1357.13	1399.86	1394.52	-0.38%	2.76%
<b>Global Dow</b>	2528.21	2654.77	2660.04	0.20%	5.21%
<b>Fed. Funds target rate</b>	0.50%-0.75%	0.50%-0.75%	0.50%-0.75%	0 bps	0 bps
<b>10-year Treasuries</b>	2.44%	2.41%	2.31%	-10 bps	-13 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

- Existing home sales surged in January, according to the National Association of Realtors®. Total existing home sales expanded 3.3% to a seasonally adjusted annual rate of 5.69 million from an upwardly revised 5.51 million in December. January's sales pace is 3.8% higher than it was a year ago and is the strongest annual rate since February 2007. The median existing-home price for all housing types in January was \$228,900, up 7.1% from January 2016 (\$213,700). The annual price increase 232,200 in January was the fastest 12-month increase since last January (8.1%) and marks the 59th consecutive month of year-over-year gains. Inventory increased 2.4% in January, which helped fuel the increase in sales. There is a 3.6-month supply of inventory at the current sales pace. Despite rising mortgage rates and relatively scant inventory, the increase in home sales may be indicative of consumers' confidence in the labor market and in the economy.
- New home sales also picked up the pace in January. At an annual rate of 555,000 in January, new



## Key Dates/Data Releases

2/27: Durable goods orders

2/28: GDP, international trade in goods, consumer confidence

03/1: Personal income and outlays, PMI Manufacturing Index, ISM Manufacturing Index

03/3: ISM Non-Manufacturing Index

home sales were 3.7% above the revised December rate of 535,000 and 5.5% above the January 2016 estimate of 526,000. The median sales price of new houses sold in January 2017 was \$312,900 (\$316,200 in December). The average sales price was \$360,900 (\$378,900 in December). The 265,000 new homes for sale at the end of January represents a supply of 5.7 months at the current sales rate.

- Minutes from the FOMC meeting at the end of January point to a greater likelihood of an interest rate hike when the Committee next meets in March. Concerned that the pace of inflation may increase based on policy proposals from the Trump administration, some members of the Committee posed the possibility for more aggressive action, particularly if the unemployment rate falls.
- Consumer sentiment was still strong in February, although the Index of Consumer Sentiment edged down to 96.3 compared to the decade peak of 98.5 recorded in January. During the past three months, the Index of Consumer Sentiment has been higher than any time since March 2004. According to Surveys of Consumers chief economist Richard Curtin, "Normally, the implication would be that consumers expected Trump's election to have a positive economic impact. That is not the case since the gain represents the result of an unprecedented partisan divergence, with Democrats expecting recession and Republicans expecting robust growth." Curtin further explained, "While the expectations of Democrats and Republicans largely offset each other, the overall gain in the Expectations Index was due to self-identified Independents, who were much closer to the optimism of the Republicans than the pessimism of the Democrats."
- In the week ended February 18, the advance figure for seasonally adjusted initial unemployment insurance claims was 244,000, an increase of 6,000 from the previous week's revised level. The advance seasonally adjusted insured unemployment rate remained at 1.5%. The advance number for seasonally adjusted insured unemployment during the week ended February 11 was 2,060,000, a decrease of 17,000 from the previous week's revised level. Compared to the same period last year, the number of unemployed is 9.4% lower than the 2,253,000 unemployed claimants for the week ended February 13, 2016.

## Eye on the Week Ahead

Investors will be focused on the revised numbers for the Q4 GDP, as well as the latest consumer income and spending figures from January.

*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.*

This information, developed by an independent third party, has been obtained from sources considered to be reliable, but Raymond James Financial Services, Inc. does not guarantee that the foregoing material is accurate or complete. This information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. This information is not intended as a solicitation or an offer to buy or sell any security referred to herein. Investments mentioned may not be suitable for all investors. The material is general in nature. Past performance may not be indicative of future results. Raymond James Financial Services, Inc. does not provide advice on tax, legal or mortgage issues. These matters should be discussed with the appropriate professional.

Securities offered through Raymond James Financial Services, Inc., member FINRA/SIPC, an independent broker/dealer, and are not insured by FDIC, NCUA or any other government agency, are not deposits or obligations of the financial institution, are not guaranteed by the financial institution, and are subject to risks, including the possible loss of principal.