



**Wealth  
Management**

# Market Week: April 30, 2018

## The Markets (as of market close April 27, 2018)

An avalanche of corporate earnings reports impacted the market last week. Unfortunately, there were enough lackluster corporate earnings statements to prompt investors to exercise caution, resulting in a relatively flat week for equities. The Dow fell the most — over 0.5% — while the S&P 500 essentially broke even. The remaining indexes listed here lost some value by last week's end. As it stands, only the Nasdaq and the Russell 2000 are ahead of their year-end values, while the Dow has lost over 1.5% as of last Friday. On the other hand, long-term bond yields soared as prices fell (bond prices and yields move in opposite directions). By midweek, the yield on 10-year Treasuries surpassed 3.0% for the first time in several years, ultimately falling back to where yields began the week.

The price of crude oil (WTI) climbed again last week, closing at \$68.26 per barrel early Friday evening, up from the prior week's closing price of \$67.39 per barrel. The price of gold (COMEX) fell to \$1,337.60 by early Friday evening, down from the prior week's price of \$1,348.60. The national average retail regular gasoline price increased to \$2.798 per gallon on April 23, 2018, \$0.051 higher than the prior week's price and \$0.349 more than a year ago.

Market/Index	2017 Close	Prior Week	As of 4/27	Weekly Change	YTD Change
<b>DJIA</b>	24719.22	24462.94	24311.19	-0.62%	-1.65%
<b>Nasdaq</b>	6903.39	7146.13	7119.80	-0.37%	3.13%
<b>S&amp;P 500</b>	2673.61	2670.14	2669.91	-0.01%	-0.14%
<b>Russell 2000</b>	1535.51	1564.12	1556.24	-0.50%	1.35%
<b>Global Dow</b>	3085.41	3083.28	3075.04	-0.27%	-0.34%
<b>Fed. Funds target rate</b>	1.25%-1.50%	1.50%-1.75%	1.50%-1.75%	0 bps	25 bps
<b>10-year Treasuries</b>	2.41%	2.96%	2.95%	-1 bps	54 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

- The first, or "advance," estimate of the gross domestic product for the first quarter of 2018 showed economic growth at an annual rate of 2.3%. The fourth-quarter GDP increased at an annualized rate of 2.9%. Business and service spending helped drive the GDP in the first quarter. The price index for gross domestic purchases increased 2.8% in the first quarter, compared with an increase of 2.5% in the fourth quarter. The personal consumption price index increased 2.7%, the same increase as in the fourth quarter. Excluding food and energy prices, the PCE price index increased 2.5%, compared with an increase of 1.9% in the fourth quarter. Personal income increased \$182.1 billion in the first quarter, compared with an increase of \$186.4 billion in the fourth quarter. Disposable (after-tax) personal income increased \$222.1 billion, or 6.2%, in the first quarter, compared with an increase of \$136.3 billion, or

**Key Dates/Data Releases**  
**4/30: Personal income and outlays**  
**5/1: PMI Manufacturing Index, ISM Manufacturing Index**  
**5/2: FOMC meeting**  
**5/3: International trade**  
**5/4: Employment situation**

3.8%, in the fourth quarter. Personal saving was \$462.1 billion in the first quarter, compared with \$379.8 billion in the fourth quarter.

- While not at the pace set last year, sales of existing homes grew for the second consecutive month in March. Total existing home sales rose 1.1% over February, but are 1.2% below their sales pace of a year ago. While interest in existing home purchases remains solid, weak inventories and increasing prices may be keeping some potential buyers out of the market. Total housing inventory climbed 5.7% last month, but is 7.2% lower than March 2017. Unsold inventory is at a 3.6-month supply at the current sales pace. The median existing-home price for all housing types in March was \$250,400, up 5.8% from March 2017. Single family home sales rose only 0.6% in March — a pace that's 1.0% below last year. The median existing price for single family home sales was \$252,100 in March, up 5.9% from March 2017.
- New home sales also improved in March, jumping up by 4.0% over February's revised rate. Sales of new homes are 8.8% ahead of their March 2017 pace. The median sales price of new houses sold in March 2018 was \$337,200. The average sales price was \$369,900. There's a 5.2-month inventory of new homes available for sale in March, which is down slightly from the 5.4-month supply in February.
- New orders for manufactured durable goods in March increased \$6.4 billion, or 2.6%, following a 3.5% gain in February. Transportation equipment drove the March gain, as orders for durable goods excluding transportation showed no increase from February. Shipments of durable goods climbed 0.3% in March, while unfilled orders rose 0.8%. Inventories of manufactured durable goods in March, up 20 of the last 21 months, increased \$0.3 billion, or 0.1%.
- The international trade deficit was \$68.0 billion in March, down \$7.8 billion from February. Exports of goods for March were \$140.1 billion, \$3.4 billion more than February exports. Imports of goods for March were \$208.1 billion, \$4.4 billion less than February imports.
- Confidence in the economy picked up in April after falling in March. According to The Conference Board Consumer Confidence Index®, consumer confidence increased for present and future economic conditions.
- In the week ended April 21, there were 209,000 initial claims for unemployment insurance, a decrease of 24,000 from the previous week's level, which was revised up by 1,000. This is the lowest level for initial claims since December 6, 1969, when it was 202,000. The advance insured unemployment rate remained at 1.3%. The advance number of those receiving unemployment insurance benefits during the week ended April 14 was 1,837,000, a decrease of 29,000 from the prior week's level, which was revised up by 3,000.

## Eye on the Week Ahead

Several potential market-moving reports are out this week. The release of the latest report on consumer income and spending is out, which is an inflation indicator relied upon by the Federal Open Market Committee. Speaking of which, the FOMC also meets this week. The Committee raised the federal funds target rate following its last meeting in March, and hinted at more rate hikes by the end of the year. The week closes with the employment report for April.

*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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