



Market Week: June 11, 2018



The Markets (as of market close June 8, 2018)

As the Group of Seven (G7) summit kicked off last Friday, and tensions seemed to escalate between the United States and its trade partners, stocks closed the week on a positive note. All of the indexes tracked here rose more than 1%, with the domestic large caps of the Dow faring especially well. Year-to-date, the Global Dow remained in negative territory, while the Nasdaq and Russell 2000 boasted solid gains.

The price of crude oil (WTI) dipped slightly last week, closing at \$65.56 per barrel, down from the prior week's closing price of \$65.72 per barrel. The price of gold (COMEX) rose to \$1,303.50 by early Friday evening, up from the prior week's price of \$1,298.00. The national average retail regular gasoline price fell to \$2.940 per gallon on June 4, 2018, \$0.022 lower than the prior week's price but \$0.526 more than a year ago.

Market/Index	2017 Close	Prior Week	As of 6/8	Weekly Change	YTD Change
DJIA	24719.22	24635.21	25316.53	2.77%	2.42%
Nasdaq	6903.39	7554.33	7645.51	1.21%	10.75%
S&P 500	2673.61	2734.62	2779.03	1.62%	3.94%
Russell 2000	1535.51	1647.98	1672.49	1.49%	8.92%
Global Dow	3085.41	3025.69	3060.76	1.16%	-0.80%
Fed. Funds target rate	1.25%-1.50%	1.50%-1.75%	1.50%-1.75%	0 bps	25 bps
10-year Treasuries	2.41%	2.90%	2.93%	3 bps	52 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

- Business expanded in the non-manufacturing, or services, sector in May, according to the latest Non-Manufacturing ISM® Report On Business®. Not only did business activity grow in May, but new orders, employment, and prices also advanced over their April returns. Not surprisingly, new export orders retracted notably in May.
- According to the Job Openings and Labor Turnover Summary for April, there were 6.7 million job openings at the end of the month — an increase of about 65,000 openings over March. Notable increases in job openings occurred in manufacturing; professional and business services; and leisure and hospitality. Several areas saw job openings decrease in April from March, including federal, state, and local government; education and health services; and financial activities. The number of hires and separations grew in April compared to March.
- The goods and services trade deficit was \$46.2 billion in April, down \$1.0 billion from March. April exports were \$211.2 billion, \$0.6 billion more than March exports. April imports were \$257.4 billion, \$0.4 billion less than March imports. Year-to-date, the goods and services deficit increased \$20.8 billion, or



Key Dates/Data Releases

6/12: Consumer Price Index, Treasury budget

6/13: Producer Price Index, FOMC meeting statement

6/14: Retail sales, import and export prices

6/15: Industrial production

11.5%, from the same period in 2017. Exports increased \$62.0 billion, or 8.1%. Imports increased \$82.8 billion, or 8.7%.

- In the week ended June 2, there were 222,000 initial claims for unemployment insurance, a decrease of 1,000 from the previous week's level, which was revised up by 2,000. The advance insured unemployment rate remained at 1.2%. The advance number of those receiving unemployment insurance benefits during the week ended May 26 was 1,741,000, an increase of 21,000 from the prior week's level, which was revised down by 6,000.

Eye on the Week Ahead

An interesting week lies ahead on both the economic and geopolitical fronts. President Trump is scheduled to meet with North Korean leader Kim Jong Un on the 12th in Singapore. The United States hopes to negotiate an end to North Korea's nuclear weapons program in exchange for relief from economic sanctions. In other upcoming news, the Federal Open Market Committee meets this week. Many analysts predict an interest rate hike is in the offing.

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