



Market Week: February 4, 2019



The Markets (as of market close February 1, 2019)

The benchmark indexes listed here rose for the week, particularly last Wednesday and Thursday. Strong corporate earnings reports, especially in the communication services sector, helped push stock prices higher. However, the biggest boost to the market may have come following the Federal Reserve's meeting last Wednesday. The Fed decided to keep interest rates at their current spread and removed any reference to future rate increases. For the year, the small caps of the Russell 2000 lead the way, followed by the Nasdaq, the S&P 500, the Global Dow, and the Dow.

Oil prices rose slightly last week, closing at \$55.37 per barrel by late Friday, up from the prior week's closing price of \$53.55 per barrel. The price of gold (COMEX) continued to surge, climbing to \$1,322.00 by last Friday evening, up from the prior week's price of \$1,308.20. The national average retail regular gasoline price was \$2.256 per gallon on January 28, 2019, \$0.005 higher than the prior week's price but \$0.351 less than a year ago.

Market/Index	2018 Close	Prior Week	As of 2/1	Weekly Change	YTD Change
DJIA	23327.46	24737.20	25063.89	1.32%	7.44%
Nasdaq	6635.28	7164.86	7263.87	1.38%	9.47%
S&P 500	2506.85	2664.76	2706.53	1.57%	7.97%
Russell 2000	1348.56	1482.85	1502.05	1.29%	11.38%
Global Dow	2736.74	2919.57	2947.87	0.97%	7.71%
Fed. Funds target rate	2.25%-2.50%	2.25%-2.50%	2.25%-2.50%	0 bps	0 bps
10-year Treasuries	2.68%	2.76%	2.68%	-8 bps	0 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

Note: Due to the partial government shutdown, some reports have not been updated. If and when this information becomes available, it will be included in the corresponding market report.

- Two important economic reports scheduled for release last week were not available as some government agencies try to catch up following the shutdown. The initial report on the fourth-quarter gross domestic product has been delayed, as has the report on personal income and outlays.
- Following its meeting last week, the Federal Open Market Committee decided to maintain the target range for the federal funds rate at 2.25%-2.50%. The FOMC noted that slowing global growth requires patience as it determines whether or when to change rates in the future. Of importance is the fact that the Committee did not indicate a predetermined number of rate increases as it had done previously.
- Due to the government shutdown, the report on new home sales, released on January 31, is for the

month of November. Sales of new homes climbed sharply in November, up 16.9% over October's figures. New home sales are still off 7.7% from November 2017. The median sales price of new houses sold in November was \$302,400. The average sales price was \$362,400. The estimate of new houses for sale at the end of November was 330,000, which represents an inventory of 6.0 months.

- Manufacturing picked up the pace in January, according to the Manufacturing ISM® Report On Business®. New orders, production, and inventories each moved higher in January over their December figures. Employment, deliveries, and prices all fell, however.
- The IHS, Markit US Manufacturing PMI™ also saw manufacturing improve in January. Domestic demand drove new business growth, as new export orders rose only marginally and at the weakest rate since last October. Business confidence about the year ahead also picked up markedly to reach a three-month high.
- For the week ended January 26, there were 253,000 new claims for unemployment insurance, an increase of 53,000 from the previous week's level, which was revised up by 1,000. This is the highest level for initial claims since September 30, 2017, when it was 254,000. According to the Department of Labor, the advance rate for insured unemployment claims remained at 1.2% for the week ended January 19. The advance number of those receiving unemployment insurance benefits during the week ended January 19 was 1,782,000, an increase of 69,000 from the prior week's level.

Eye on the Week Ahead

This week is a slow one for economic news. However, with more corporate earnings reports out, the market could continue its strong showing.

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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