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Market Week: November 25, 2019



The Markets (as of market close November 22, 2019)

The market's run of weekly gains ended last week as each of the benchmark indexes listed here lost value. Once again, trade concerns may have prompted investors to pull back from stocks. News last Wednesday of new demands from both the United States and China may delay completion of "phase one" of the trade deal until after the new year. In addition, China threatened "strong countermeasures" if President Trump signed a bill supporting human rights in Hong Kong, following the passage of the Hong Kong Human Rights and Democracy Act by the Senate. As of last Friday, the president had not signed the bill.

By the close of the week, the large caps of the Dow and S&P 500 each fell by less than 0.5%, while the tech stocks of the Nasdaq dropped a quarter of a percent. The small caps of the Russell 2000 lost the most by week's end, but still only a modest 0.47%.

Oil prices fell slightly last week, closing at \$57.89 per barrel by late Friday afternoon, down from the prior week's price of \$57.93. The price of gold (COMEX) dropped last week, closing at \$1,462.50 by late Friday afternoon, down from the prior week's price of \$1,468.70. The national average retail regular gasoline price was \$2.592 per gallon on November 18, 2019, \$0.023 less than the prior week's price and \$0.019 less than a year ago.

Market/Index	2018 Close	Prior Week	As of 11/22	Weekly Change	YTD Change
DJIA	23327.46	28004.89	27875.62	-0.46%	19.50%
Nasdaq	6635.28	8540.83	8519.88	-0.25%	28.40%
S&P 500	2506.85	3120.46	3110.29	-0.33%	24.07%
Russell 2000	1348.56	1596.45	1588.94	-0.47%	17.82%
Global Dow	2736.74	3154.39	3141.77	-0.40%	14.80%
Fed. Funds target rate	2.25%-2.50%	1.50%-1.75%	1.50%-1.75%	0 bps	-75 bps
10-year Treasuries	2.68%	1.83%	1.77%	-6 bps	-91 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 News

- New home construction should be solid heading into the winter months based on a jump in building permits issued in October. Building permits rose 5.0% last month and 14.1% over last October's rate. Single-family authorizations were up 3.2% over September's annualized figure. Housing starts also climbed 3.8% in October, with single-family home starts up 2.0% over the prior month's total. New home

Key Dates/Data Releases

11/26: International trade in goods, new home sales

11/27: GDP, durable goods orders, personal income and outlays

inventory should also get a boost as housing completions soared 10.3% in October over September's rate. Single-family housing completions in October were 4.5% above the September total.

- Sales of existing homes bounced back somewhat in October after a drab September. Sales increased 1.9% last month over the prior month's totals. Overall, existing home sales are up 4.6% from a year ago. The median existing-home price for all housing types in October was \$270,900, continuing a downward trend (\$272,100 in September) this year, but still ahead of the median sales price from last October (\$255,100). Total housing inventory at the end of October sat at 1.77 million units, down approximately 2.7% from September and 4.3% from one year ago. Sales of single-family homes increased 2.1% in October over September. The median single-family home sales price dropped in October to \$273,600 from September's \$274,400.
- For the week ended November 16, there were 227,000 claims for unemployment insurance, unchanged from the previous week's level, which was revised up by 2,000. According to the Department of Labor, the advance rate for insured unemployment claims remained at 1.2% for the week ended November 9. The advance number of those receiving unemployment insurance benefits during the week ended November 9 was 1,695,000, an increase of 3,000 from the prior week's level, which was revised up by 9,000.

Eye on the Week Ahead

Thanksgiving week should be a slow one in the market, but it will yield some important economic reports. The international trade in goods report for November is expected to show an expanding trade balance with both imports and exports continuing to decrease. Manufacturing has been a sector in decline. Durable goods orders fell 1.1% in October and may not be much better when November's numbers are revealed this week. The second estimate of the third-quarter gross domestic product is also out this week. The advance estimate had the economy growing at an annualized rate of 1.9% — down from the second quarter's 2.0% increase.

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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