



Market in a Minute

December 20, 2016

Index Performance: As of Dec. 16, 2016

Index	Price	Last Week	YTD
Dow Jones 30	19843	0.4%	13.9%
S&P 500	2258	-0.1%	10.5%
NASDAQ	5437	-0.1%	8.6%
Russell 2000	1364	-1.7%	18.7%
Russell 2000 Growth	788	-1.5%	11.4%
Russell 2000 Value	1782	-1.9%	29.1%
Russell 1000 Growth	1064	0.0%	6.4%
Russell 1000 Value	1373	-0.3%	18.1%
Shanghai SE Index	3270	-3.4%	-11.7%
SPDR Gold Shares	108.05	-2.1%	6.5%
GS Crude Oil Total Return	6.23	1.0%	0.0%
Powershares US \$ Index	26.57	1.3%	3.6%
iShares EAFE Index	58.13	-1.0%	-1.0%
iShares Barclays 20+ Yr Treasury Bond	117.14	-0.3%	-2.9%
Utilities Select Sector ETF	48.41	0.9%	11.9%
Vanguard REIT ETF	82.63	-0.7%	3.6%
iShares Mortgage Real Estate	42.30	-3.3%	10.6%
Wells Fargo BDC	22.34	-0.1%	10.2%
Alerian MLP ETF	12.41	1.5%	3.0%
iShares Global Telecom	59.23	0.6%	2.4%

Source: Bloomberg & MSN, Returns are appreciation only.

S&P Sector Performance

Index	Price	Last Week	YTD
Information Technology	816	0.2%	13.0%
Consumer Disc.	659	-1.3%	6.1%

A Word on the Market by Pat Adams, CFA

We made a few points last week that we think are worth mentioning again. First, any selling or realizing of capital gains is likely better off done next year than this year due to lower tax rates. We believe this has impacted the markets this year positively and will have a negative impact when the New Year begins. Second, it is very clear to us that Trump intends to pick a fight, in economic terms, with China. This should be good for the U.S. in the long term, but disruptive as the market starts to focus on it. Third, the equity market is highly valued, and with all of Trump's initiatives in place is less highly valued, but still expensive. Fourth, value and dividend paying stocks will outperform growth stocks and the bond market. Lastly, the bond market could have negative returns for the next several years.

We think the strength of the dollar will show up negatively in earnings reports in the first quarter. The Federal Reserve laid the groundwork for three rate increases next year. The market does not believe the Fed, but with Trump's initiatives we believe it is very likely we have three rate increases next year.

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Consumer Staples	536	0.9%	3.4%
Health Care	806	1.5%	-3.3%
Financials	389	-1.1%	20.8%
Industrials	542	-1.6%	16.8%
Energy	563	0.8%	25.6%
Telecommunications	173	2.3%	15.7%
Utilities	246	1.8%	11.9%
Materials	317	-1.5%	15.9%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

Fed Fund	0.50	5-Year	1.89
3-Month	0.54	10-Year	2.47
6-Month	0.64	30-Year	3.16
2-Year	1.15		

Source: Bloomberg.com

Economic Events This Week

21-Dec	Existing Home Sales	5.50M	5.60M
21-Dec	GDP-Third Est.	3.3%	3.2%
21-Dec	GDP-Deflator	1.4%	1.4%
22-Dec	Initial Claims	256K	254K
22-Dec	Durable Orders	-4.5%	4.8%
22-Dec	Durable Orders ex-transportation	0.2%	1.0%
22-Dec	Leading Indicators	0.1%	0.1%
22-Dec	Personal Income	0.3%	0.6%
22-Dec	Personal Spending	0.4%	0.3%
23-Dec	Michigan Sentiment-Final	98.2	98.0
23-Dec	New Home Sales	573K	563K

Source: Briefing.com

Economic Events Last Week

Date	Event
14-Dec	Retail Sales for Nov. came in at 0.1% vs. expectations of 0.3%
14-Dec	Retail Sales ex-auto for Nov. was reported at 0.2% vs. estimates of 0.4%
14-Dec	PPI for Nov. came in at 0.4% vs. forecasts of 0.1%.

14-Dec	Core PPI for Nov. was 0.4% vs. estimates of 0.2%
14-Dec	Industrial Production for Nov. came in at -0.4% compared to expectations of -0.1%
14-Dec	Capacity Utilization for Nov. was 75.0% vs. forecasts of 75.1%
14-Dec	Business Inventories for Oct. declined -0.2% vs. expectations of -0.1%
14-Dec	The FOMC increased rate to 0.625% as expected
15-Dec	CPI for Nov. came in at 0.2% which was in line with expectations
15-Dec	Core CPI for Nov. was reported at 0.2% vs. estimates of 0.2%
15-Dec	Initial Claims for the week of 12/10 were reported at 254K compared to forecasts of 256K
15-Dec	The Philadelphia Fed for Dec. was 21.5 vs. estimates of 9.0
16-Dec	Housing Starts for Nov. was reported at 1090K vs. expectations of 1225K
16-Dec	Building Permits for Nov. were reported at 1201K compared to forecasts of 1236K

Source: Briefing.com

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