

The Markets (as of market close August 24, 2018)

Despite a week that included yet more tariff trepidations and negative headlines on the political front, investors celebrated last Friday as several indexes hit new highs. The S&P 500 reached its first record since January, and cemented the current bull run as the longest in history. The Nasdaq and Russell 2000 also broke records, rising by 1.66% and 1.93%, respectively. Stock investors seemed to be reassured by Fed Chairman Jerome Powell's optimistic comments during Friday's conference of central bankers in Jackson Hole, Wyoming.

The price of crude oil (WTI) fell again last week, closing at \$65.91 per barrel, down from the prior week's closing price of \$67.78 per barrel. The price of gold (COMEX) rose to \$1,212.10 by early Friday evening, up from the prior week's price of \$1,191.20. The national average retail regular gasoline price fell to \$2.821 per gallon on August 20, 2018, \$0.022 lower than the prior week's price but \$0.461 more than a year ago.

Market/Index	2017 Close	Prior Week	As of 8/24	Weekly Change	YTD Change
DJIA	24719.22	25669.32	25790.35	0.47%	4.33%
Nasdaq	6903.39	7816.33	7945.98	1.66%	15.10%
S&P 500	2673.61	2850.13	2874.69	0.86%	7.52%
Russell 2000	1535.51	1692.95	1725.67	1.93%	12.38%
Global Dow	3085.41	3034.52	3070.76	1.19%	-0.47%
Fed. Funds target rate	1.25%- 1.50%	1.75%- 2.00%	1.75%- 2.00%	0 bps	50 bps
10-year Treasuries	2.41%	2.86%	2.82%	-4 bps	41 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 National Association of Realtors® reported that existing home sales fell for the fourth straight month in July to their slowest pace in over two years. Total existing-home sales dropped 0.7% to a seasonally adjusted annual rate of 5.34 million in July, from 5.38 million in June. Sales are now 1.5% below a year ago and have fallen on an annual basis for five consecutive months. NAR chief economist Lawrence Yun attributed the decline to potential buyers being priced out of the market or postponing their searches until more affordable options hit the market. July's median existing-home price of \$269,600 was 4.5% higher than it was a year ago.
- The U.S. Census Bureau and Department of Housing and Urban Development reported that sales of new single-family homes also dropped in July, falling 1.7% below the June rate. However, year over year, the rate of new home sales grew by nearly 13%. The median sales price was \$328,700 in July, up from \$322,900 a year prior.
- New orders for durable goods decreased 1.7% in July to \$246.9 billion, according to the U.S. Census Bureau's advance report on manufacturers' shipments, inventories, and orders. Although the decrease follows a 0.7% increase in June, new orders have declined in three of the last four months. Transportation equipment, which also fell in three of the last four months, drove the decline. Excluding transportation, new orders increased 0.2%. After two consecutive months of increases, shipments also declined in July, falling by half a billion dollars (0.2%).
- In the week ended August 18, the advance figure for seasonally adjusted initial claims for unemployment insurance was 210,000, a decrease of 2,000 from the previous week. According to the Department of Labor, the advance rate for insured unemployment claims remained at 1.2% for the week ended August 11. The advance number of those receiving unemployment insurance benefits during the week ended August 11 was 1,727,000, a decrease of 2,000 from the prior week's level, which was revised up by 8,000.

Eye on the Week Ahead

The latest report on the second-quarter gross domestic product is out this week. The initial report, based on incomplete source data, showed the economy grew at an annualized rate of 4.1%. However, with more complete data available, this report may not be quite as positive, although it is expected to be very favorable nonetheless.

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. Content provided Broadridge Investor Communication Solutions, Inc.