

# MARKET WEEK: SEPTEMBER 6, 2016 #StockMarket #Investing #MarketNews

## The Markets (as of market close September 2, 2016)

Trading continues to be light heading into the Labor Day weekend. Stocks finished modestly higher for the week, buoyed by last Friday's favorable employment report. Of the indexes listed here, the small-cap Russell 2000 led the charge, gaining 1.11% by last week's end and over 10% year-to-date.

The price of crude oil (WTI) closed at \$44.36 a barrel last week, down from \$47.33 per barrel the previous week. The price of gold (COMEX) gained, closing at \$1,328.50 by late Friday afternoon, up from the prior week's price of \$1,325.00. The national average retail regular gasoline price increased for the second consecutive week to \$2.237 per gallon on August 29, \$0.044 higher than the prior week's price but \$0.273 below a year ago.

Market/Index	2015 Close	Prior Week	As of 9/2	Weekly Change	YTD Change
<b>DJIA</b>	17425.03	18395.40	18491.96	0.52%	6.12%
<b>Nasdaq</b>	5007.41	5218.92	5249.90	0.59%	4.84%
<b>S&amp;P 500</b>	2043.94	2169.04	2179.98	0.50%	6.66%
<b>Russell 2000</b>	1135.89	1238.03	1251.83	1.11%	10.21%
<b>Global Dow</b>	2336.45	2442.01	2463.98	0.90%	5.46%
<b>Fed. Funds target rate</b>	0.25%-0.50%	0.25%-0.50%	0.25%-0.50%	0 bps	0 bps
<b>10-year Treasuries</b>	2.26%	1.63%	1.60%	-3 bps	-66 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 Headlines

- The labor sector cooled a bit but remained solid in August, according to the Bureau of Labor Statistics. Total nonfarm payroll employment added 151,000 jobs in August, down from 275,000 in July. The unemployment rate remained at 4.9%, as the number of unemployed persons was essentially unchanged at 7.8 million. Job gains were robust in the services sector, particularly in food services and drinking places, which has added 312,000 new jobs over the year. The average workweek for all employees on private nonfarm payrolls decreased by 0.1 hour to 34.3 hours in August. Also for the month, average hourly earnings for all employees on private nonfarm payrolls rose by \$0.03 to \$25.73. Over the year, average hourly earnings have risen by 2.4%.
- Consumer income and expenditures rose in July, according to the latest report from the Bureau of Economic Analysis. Personal income and disposable personal income (after tax income) each increased 0.4% to \$71.6 billion and \$60.1 billion, respectively. Personal consumption expenditures climbed for the fourth straight month in July, jumping 0.3% to \$42.0 billion. Excluding volatile food and energy components, the core personal consumption expenditures index (a preferred inflation gauge of the Fed) moved very little, gaining only 0.1% for the month. Year-on-year, the core PCE sits at 1.6%—still below the Fed's target inflation rate of 2.0%.
- Favorable news from the international trade sector as the goods and services deficit was \$39.5 billion in July, down \$5.2 billion from \$44.7 billion in June, revised. July exports were \$186.3 billion, \$3.4 billion more than June exports. July imports were \$225.8 billion, \$1.8 billion less than June imports. The July decrease in the goods and services deficit reflected a decrease in the goods deficit of \$5.3 billion to \$60.3 billion and a decrease in the services surplus of \$0.1 billion to \$20.9 billion. Year-to-date, the goods and services deficit decreased \$0.5 billion, or 0.2%, from the same period in 2015.
- July was a good month in the manufacturing sector. New orders for manufactured goods increased \$8.4 billion, or 1.9%, following two consecutive monthly declines. Shipments decreased \$0.9 billion, or 0.2%, following four consecutive monthly increases. Inventories gained for the first time in a year—increasing \$0.9 billion, or 0.1%.
- The S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index, covering all nine U.S. census divisions, reported a 5.1% annual gain in June. The 20-City Composite Index reported a year-over-year gain of 5.1%, down from 5.3% in May.
- According to the survey of manufacturing executives by the Institute for Supply Management, economic activity in the manufacturing sector contracted in August following five consecutive months of expansion, while the overall economy grew for the 87th consecutive month. The August Purchasing Managers' Index registered 49.4%, a decrease of 3.2 percentage points from July's PMI®. A reading of 50% or less indicates contraction. On the other hand, Markit's U.S. manufacturing index for August showed growth, but at a slower pace, registering 52.0, compared to 52.9 in July—signaling weaker improvement in overall business conditions.
- Consumer confidence improved in August over July as The Conference Board Consumer Confidence Index®, which had decreased slightly in July, increased in August. The index now stands at 101.1, compared to 96.7 in July. Consumers expressed more confidence in current business and labor market conditions in August, but weren't too optimistic about future developments in those sectors.
- In the week ended August 27, the advance figure for seasonally adjusted initial unemployment insurance claims was 263,000, an increase of 2,000 from the prior week's unrevised level. The advance seasonally adjusted insured unemployment rate remained at 1.6%. The advance number for seasonally adjusted insured unemployment during the week ended August 20 was 2,159,000, an increase of 14,000 from the previous week's revised level.

#### Eye on the Week Ahead

The first full week of September doesn't offer much in terms of economic reports. Trading is expected to be slow during the Labor Day week, as investors gear up for the fall and election season.

*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](http://Bloomberg.com) Market Data (oil spot price, WTI Cushing, OK); [www.goldprice.org](http://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.*