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Market Week: May 27, 2019



The Markets (as of market close May 24, 2019)

With last week's loss, the Dow suffered its longest weekly losing streak since 2011. Trade tensions between the United States and China seem to be taking a toll on investors' patience. Each of the benchmark indexes listed here also posted weekly losses. Money moved to bonds, pushing prices higher and yields lower. Tech stocks were particularly hard-hit last week, as were energy stocks. Year-to-date, each of the benchmarks are still comfortably ahead of their 2018 closing values, but the gap is narrowing for some indexes, particularly the Global Dow and the Dow, which are now less than 10% ahead of their respective year-end closing marks.

Oil prices fell last week, closing at \$59.04 per barrel by late Friday, down from the prior week's closing price of \$62.71 per barrel. The price of gold (COMEX) jumped last week, closing at \$1,284.20 by Friday evening, up from the prior week's price of \$1,277.40. The national average retail regular gasoline price was \$2.852 per gallon on May 20, 2019, \$0.014 lower than the prior week's price and \$0.071 less than a year ago.

Market/Index	2018 Close	Prior Week	As of 5/24	Weekly Change	YTD Change
DJIA	23327.46	25764.00	25585.69	-0.69%	9.68%
Nasdaq	6635.28	7816.28	7637.01	-2.29%	15.10%
S&P 500	2506.85	2859.53	2826.06	-1.17%	12.73%
Russell 2000	1348.56	1535.76	1514.11	-1.41%	12.28%
Global Dow	2736.74	2977.45	2951.46	-0.87%	7.85%
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%	2.46%	2.37%	-9 bps	-31 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

- Sales of existing homes continued to lag in April. According to the National Association of Realtors®, existing home sales fell 0.4% from their March total and are down 4.4% from a year ago. The median existing-home price for all housing types in April was \$267,300, up from the prior month's price (\$259,400) and ahead of the median price from a year ago (\$257,900). Total housing inventory increased from 1.67 million in March to 1.83 million in April. First-time buyers were responsible for 32% of sales in April, down from the 33% reported last month and one year ago. Sales for single-family existing homes fell about 1.1% in April and are down 4.0% from April 2018. The median existing single-family home price was \$269,300 in April, up 3.7% from April 2018.
- Sales of new single-family homes had been fairly strong through the first quarter of the year. However, April's totals are definitely lagging. New home sales dipped 6.9% below March's totals, although they're 7.0% above sales from a year ago. The median sales price of new houses sold in April was \$342,200

Key Dates/Data Releases

5/30: GDP, international trade in goods

5/31: Personal income and outlays

(\$305,800 in March). The average sales price was \$393,700 (\$372,300 in March). There were about 332,000 new homes for sale in April, representing a supply of 5.9 months (5.6-month supply in March).

- New orders for long-lasting goods fell 2.1% in April, after climbing 1.7% in March. Transportation equipment (primarily commercial aircraft and cars), down two of the last three months, drove the decrease, falling 5.9%. Shipments of manufactured durable goods in April, down three of the last four months, decreased 1.6%. Not surprisingly, inventories increased 0.4% in April.
- According to the Department of Labor, there were 211,000 claims for unemployment insurance for the week ended May 18, a decrease of 1,000 from the previous week's level. The advance rate for insured unemployment claims remained at 1.2% for the week ended May 11. The advance number of those receiving unemployment insurance benefits during the week ended May 11 was 1,676,000, an increase of 12,000 from the prior week's level, which was revised up by 4,000.

Eye on the Week Ahead

The second estimate of the first-quarter gross domestic product is available this week. The advance estimate, released last month, showed the economy grew at an annualized rate of 3.2%. It is expected that the latest estimate will closely mirror the initial report.

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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