



## AK Financial Group

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# Market Week: January 2, 2017



## The Markets (as of market close December 30, 2016)

The Dow suffered its first weekly loss since the presidential election, and each of the indexes listed here closed the last week of 2016 on the down side. Despite the lackluster returns for the final week of the year, each of the indexes closed the year in positive territory, led by the Russell 2000, which posted almost a 20% year-over-year gain. Long-term bond prices and gold increased by the end of last week, with the yield on 10-year Treasuries dropping 10 basis points, while the price of gold climbed about 1.7%.

The price of crude oil (WTI) increased last week, closing at \$53.83 per barrel, up from the prior week's closing price of \$53.10 per barrel. The price of gold (COMEX) increased for the first time in several weeks, closing at \$1,152.40 by late Friday afternoon, up from the prior week's price of \$1,133.30. The national average retail regular gasoline price increased for the fourth week in a row to \$2.309 per gallon on December 26, 2016, \$0.045 more than last week's price and \$0.275 higher than a year ago.

Market/Index	2015 Close	Prior Week	As of 12/30	Weekly Change	YTD Change
<b>DJIA</b>	17425.03	19933.81	19762.60	-0.86%	13.42%
<b>Nasdaq</b>	5007.41	5462.69	5383.12	-1.46%	7.50%
<b>S&amp;P 500</b>	2043.94	2263.79	2238.83	-1.10%	9.54%
<b>Russell 2000</b>	1135.89	1371.51	1357.13	-1.05%	19.48%
<b>Global Dow</b>	2336.45	2536.42	2528.21	-0.32%	8.21%
<b>Fed. Funds target rate</b>	0.25%-0.50%	0.50%-0.75%	0.50%-0.75%	0 bps	25 bps
<b>10-year Treasuries</b>	2.26%	2.54%	2.44%	-10 bps	18 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

- Once again, a strong dollar has led to a widening trade gap as imports are outpacing exports. The Census Bureau's advance report on international trade in goods has the trade deficit at \$65.3 billion in November, up \$3.4 billion from October. Exports of goods for November were \$121.7 billion, \$1.2 billion less than October exports. Imports of goods for November were \$187.0 billion, \$2.2 billion more than October imports. Inventories of wholesale and retail goods in November were up 0.9% and 1.0%, respectively, over October.
- Consumer confidence in the economy increased in December, according to The Conference Board Consumer Confidence Index®. The index for December was 113.7 — up from November's 109.4. The Expectations Index reached a 13-year high, jumping from 94.4 in November to 105.5 in December. Following the presidential election, consumers have expressed optimism for the economy, jobs, and stock prices.
- In the week ended December 24, the advance figure for seasonally adjusted initial unemployment

## Key Dates/Data Releases

1/3: PMI Manufacturing Index, ISM Manufacturing Index

1/6: Employment situation, international trade

insurance claims was 265,000, a decrease of 10,000 from the previous week's unrevised level of 275,000. The advance seasonally adjusted insured unemployment rate remained at 1.5%. The advance number for seasonally adjusted insured unemployment during the week ended December 17 was 2,102,000, an increase of 63,000 from the previous week's revised level.

## Eye on the Week Ahead

Trading volume is expected to pick up entering the first full week of 2017. The last reports of 2016 on the employment situation and international trade close the week.

*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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