



**AK Financial Group**  
 Andrew C. Karlinski, CFP®  
 Registered Representative, LPL Financial  
 6 Venture Ste 390  
 Irvine, CA 92618  
 949-788-7700  
 ak@akfinancialgroup.com  
 www.akfinancialgroup.com



# Market Week: April 24, 2017

## The Markets (as of market close April 21, 2017)

Better-than-expected earnings reports for the first quarter helped push stocks higher last week. Each of the benchmark indexes listed here posted gains, some for the first time in several weeks. The small-cap Russell 2000, which had fallen below its end-of-year closing value, jumped 2.57% for the week and is now over 1.50% ahead of last year's closing value. Gains in the industrial sector were reflected in an almost 1.0% advance in the S&P 500, while the Nasdaq increased nearly 2.0% for the week. On the other hand, energy companies didn't fare as well, as oil fell below \$50 per barrel.

The price of crude oil (WTI) fell last week, closing at \$49.62 per barrel, down from the prior week's closing price of \$52.91 per barrel. The price of gold (COMEX) also dropped, closing at \$1,286.40 by late Friday afternoon, down from the prior week's price of \$1,290.10. The national average retail regular gasoline price increased to \$2.436 per gallon on April 17, 2017, \$0.012 higher than the prior week's price and \$0.299 more than a year ago.

Market/Index	2016 Close	Prior Week	As of 4/21	Weekly Change	YTD Change
<b>DJIA</b>	19762.60	20453.25	20547.76	0.46%	3.97%
<b>Nasdaq</b>	5383.12	5805.15	5910.52	1.82%	9.80%
<b>S&amp;P 500</b>	2238.83	2328.95	2348.69	0.85%	4.91%
<b>Russell 2000</b>	1357.13	1345.24	1379.85	2.57%	1.67%
<b>Global Dow</b>	2528.21	2649.04	2661.88	0.48%	5.29%
<b>Fed. Funds target rate</b>	0.50%-0.75%	0.75%-1.00%	0.75%-1.00%	0 bps	25 bps
<b>10-year Treasuries</b>	2.44%	2.23%	2.24%	1 bps	-20 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

- March storms may have played a role in holding back the start of new home construction, according to the latest report from the Census Bureau. Privately owned housing starts in March were at an annual rate of 1,215,000 — 6.8% below the revised February estimate, but 9.2% above the rate for March 2016. On the plus side, building permits were 3.6% above the February rate and 17.0% ahead of March 2016. While the start of new home construction slowed, housing completions maintained a steady pace, with the number of completions 3.2% above February and 13.4% over last March.
- Sales of existing homes followed a dismal February with a robust March. According to the National Association of Realtors®, existing home sales jumped 4.4% for the month over February — the strongest month since February 2007. March's pace is 5.9% above March 2016. The median existing-home price for all housing types in March was \$236,400, up 6.8% from March 2016 (\$221,400). March's price increase marks the 61st consecutive month of year-over-year gains. Total housing inventory at the end



## Key Dates/Data Releases

4/25: New home sales

4/27: Durable goods orders, international trade in goods

4/28: GDP

of March increased 5.8% to 1.83 million existing homes available for sale, but is still 6.6% lower than a year ago (1.96 million) and has fallen year-over-year for 22 straight months. Unsold inventory is at a 3.8-month supply at the current sales pace (unchanged from February).

- According to the Federal Reserve's report, industrial production increased 0.5% in March over February, primarily bolstered by a jump of 8.6% in the output of utilities — the largest in the history of the index. Unusually warm weather in February gave way to colder conditions, resulting in a spike in demand for heating in March. Manufacturing output fell 0.4% in March, led by a large step-down in the production of motor vehicles and parts; factory output aside from motor vehicles and parts moved down 0.2%. The production at mines edged up 0.1%. For the first quarter as a whole, industrial production rose at an annual rate of 1.5%.
- In the week ended April 15, the advance figure for seasonally adjusted initial claims was 244,000, an increase of 10,000 from the previous week's unrevised level of 234,000. The advance seasonally adjusted insured unemployment rate fell to 1.4%. The advance number for seasonally adjusted insured unemployment during the week ended April 8 was 1,979,000, a decrease of 49,000 from the prior week's unrevised level of 2,028,000. This is the lowest level for insured unemployment since April 15, 2000.

## Eye on the Week Ahead

Initial estimates for the first-quarter GDP are out at the end of the week. Final figures for the fourth quarter revealed that the economy increased at an annual rate of 2.1%. A first-quarter rate at or below 2.0% may sway the Fed to hold interest rates at their current levels when the Committee next meets during the first week of May.

*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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Registered Representative, LPL Financial

AK Financial Group

6 Venture, Suite 390

Irvine, CA 92618

phone: 949-788-7700

fax: 949-788-7710

[www.akfinancialgroup.com](http://www.akfinancialgroup.com)

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