



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: September 18, 2017

The Markets (as of market close September 15, 2017)

Stocks followed the prior week's plunge by surging to record highs last week. The Dow, S&P 500, and Nasdaq reached new all-time highs during the week, as each of the indexes listed here posted impressive gains. The small caps of the Russell 2000 led the way, gaining over 2.3%, followed by the Dow, S&P 500, Nasdaq, and the Global Dow. For the year, the Nasdaq still remains in the lead as it closes in on 20%.

The price of crude oil (WTI) closed at \$49.83 per barrel, up from the prior week's closing price of \$47.56 per barrel. The price of gold (COMEX) fell to \$1,323.50 by early Friday evening, \$27.50 lower than the prior week's price of \$1,351.00. The national average retail regular gasoline price increased to \$2.658 per gallon on September 11, 2017, \$0.006 higher than the prior week's price and \$0.483 more than a year ago.

Market/Index	2016 Close	Prior Week	As of 9/15	Weekly Change	YTD Change
DJIA	19762.60	21797.79	22268.34	2.16%	12.68%
Nasdaq	5383.12	6360.19	6448.47	1.39%	19.79%
S&P 500	2238.83	2461.43	2500.23	1.58%	11.68%
Russell 2000	1357.13	1399.43	1431.71	2.31%	5.50%
Global Dow	2528.21	2853.39	2890.56	1.30%	14.33%
Fed. Funds target rate	0.50%-0.75%	1.00%-1.25%	1.00%-1.25%	0 bps	50 bps
10-year Treasuries	2.44%	2.05%	2.20%	15 bps	-24 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 lack of inflationary price pressure in the economy has persisted throughout the summer months. According to the Consumer Price Index, consumer prices rose 0.4% in August and are up 1.9% over the past 12 months. However, much of the monthly increase is attributable to a spike in energy prices, particularly gasoline, which increased 6.3% in August and has increased 10.4% over the past 12 months. The index less food and energy rose a more modest 0.2% for the month and is up 1.7% over the past 12 months. According to the report, Hurricane Harvey had a very small effect on survey response rates in August.
- The prices producers received for goods and services increased 0.2% in August compared to July's 0.1% decrease. For the last 12 months ended in August, producer prices have increased 2.4%. The index for producer prices less foods, energy, and trade services also increased 0.2% in August following no change in July. Over the last 12 months, producer prices less foods, energy, and trade services rose 1.9%.
- Retail sales to consumers scaled back in August, decreasing 0.2% from the previous month. In-store sales were down 0.3%, while nonstore (online) sales were down 1.1% for the month, but are up 8.4%



Key Dates/Data Releases

9/19: Housing starts, import and export prices

9/20: Existing home sales, FOMC meeting release

over the prior 12 months.

- The federal deficit was \$107.7 billion in August, an increase of \$65 billion from July. Through 11 months of fiscal 2017, the total deficit sits at \$674 billion — up from \$619 billion over the same period last year. Compared to last year, total expenditures are up 3.1% while total receipts are ahead 1.9%.
- Hurricane Harvey impacted industrial production in August, according to the Federal Reserve's Industrial Production and Capacity Utilization report. Industrial production declined 0.9% in August following six consecutive monthly gains. The index for manufacturing decreased 0.3%. The manufacturing industries with the largest estimated storm-related effects were petroleum refining, organic chemicals, and plastics materials and resins. The output of mining fell 0.8% in August, as Hurricane Harvey temporarily curtailed drilling, servicing, and extraction activity for oil and natural gas. The output of utilities dropped 5.5%, as unseasonably mild temperatures, particularly on the East Coast, reduced the demand for air conditioning.
- The Job Openings and Labor Turnover Summary for July revealed the number of job openings increased from 6.12 million in June to 6.17 million in July. The number of hires and total separations in July were little changed from the prior month. Some of the areas seeing notable job increases include transportation, warehousing, and utilities and educational services. Job openings decreased in health care and social assistance and state and local government. Over the 12 months ended in July, hires totaled 63.6 million and separations totaled 61.5 million, yielding a net employment gain of 2.1 million.
- In the week ended September 9, the advance figure for initial claims for unemployment insurance was 284,000, a decrease of 14,000 from the previous week's unrevised level. Hurricanes Harvey and Irma impacted this week's initial claims. The advance insured unemployment rate remained at 1.4%. The advance number of those receiving unemployment insurance during the week ended September 2 was 1,944,000, a decrease of 7,000 from the previous week's revised level.

Eye on the Week Ahead

The Federal Open Market Committee meets this week following a break in August. Committee members will cull a mixed bag of economic information, with job growth steady but little inflationary pressure. The FOMC may opt to leave interest rates as they are for the time being, with a possible increase in October in anticipation of more noticeable economic growth during the fall months.

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.

Andrew C. Karlinski, CFP®
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

Securities offered through LPL Financial. Member FINRA/SIPC. Investment advice offered through AK Financial Group, a registered investment advisor and separate entity from LPL Financial.

The information contained in this email message is being transmitted to and is intended for the use of only the individual(s) to whom it is addressed. If the reader of this message is not the intended recipient, you are hereby advised that any dissemination, distribution or copying of the message is strictly prohibited. If you have received this message in error, please immediately delete.