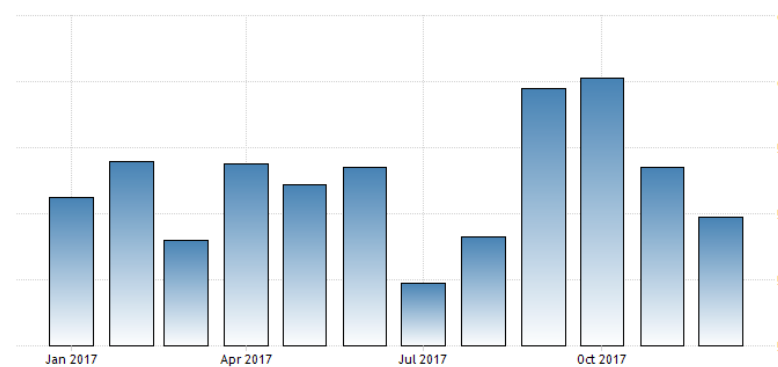


Last Week's Summary

- U.S. stocks got off to a strong start to the new year with all of the major indexes hitting new highs during the first week. The Dow Jones Industrial Average got the most attention by passing the 25,000 threshold while the NASDAQ Composite breached 7,000. By market cap, large cap's outperformed with the S&P 500 rising 2.6%, while the midcap S&P 400 and small cap Russell 2000 added 1.9% and 1.6% respectively.
- US 10-Year Treasury yield rose to 2.48%
- The Fed is still forecasting three rate hikes for this year. Currently, investors have pegged an approximately 70% chance of a rate hike at the central bank's meeting in March.
- Payroll processor ADP reported the number of private-sector jobs increased by 250,000 last month, blowing away economists' expectations of 188,000.
- The trade deficit in the US widened to USD 50.5 billion in November of 2017. It is the biggest trade gap since January of 2012 as imports reached a record high on rising demand for consumer goods, cell phones, crude oil and semiconductors
- The ISM Non-Manufacturing PMI index for the United States fell to 55.9 in December of 2017 from 57.4 in November and below market expectations of 57.6. The reading pointed to the smallest expansion in the non-manufacturing sector in four months. However, businesses reported optimism for business conditions and the economic outlook going forward. Non Manufacturing PMI in the United States is reported by [Institute for Supply Management](#).



Equity Indices	Level	1 week	QTD	2017
S&P 500	2,743.15	2.63	2.63	21.82
Nasdaq	7,136.56	3.4	3.4	3.4
MSCI ACWI ex US	314.04	2.74	2.74	27.77
Fixed Income	Yield	1 week	QTD	2017
Barclays U.S. Agg.	2.78	-0.32	-0.32	3.54
High Yield Corp.	5.54	0.73	0.73	7.5

Mortgage Rates	This week	Last week	52week Low	52 week High
30 Yr. Conv. Mortgage	4.05	4.07	3.84	4.39

Key Rates	1/05/2018	12/31/2017	10/31/2017
10-Yr. U.S. Treasuries	2.48	2.41	2.38
6-mo. CD rate	1.88	1.85	1.6
Prime Rate	4.50	4.50	4.25

PIR Intermediate Term Market Outlook

