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FINANCIAL MARKET UPDATE
11/10/17

THE WEEK IN REVIEW

U.S. stocks fell this week, as the details of and adjustments to the new tax bill drove headlines and overall market sentiment. The S&P 500 Index declined 0.2% and the Dow Jones Industrial Average dropped 0.5% to close the week at 23,422. The financial sector was hit the hardest amid concerns of the progress on the Republican-led tax bill. Oil touched highs not seen in over two years against a backdrop of increased political tensions in Saudi Arabia. Brent crude oil futures reached $64.54 on Tuesday before retracting some of those gains later in the week, settling at $63.62 on Friday. In the bond market, yields on the ten-year U.S Treasury climbed 0.07% or seven basis points to 2.40%, as Friday's release of stronger-than-expected manufacturing production data from the United Kingdom drove government bond yields higher across the developed world.

The U.S. labor market appears to be in good condition as jobs openings stayed above 6 million in September, rising slightly to a near record high of 6.09 million. This is the first time in the history of the data series that job openings have eclipsed 6 million for four consecutive months. The so-called quits rate of non-government employees remained near a record high of 2.4% in September. An elevated and increasing quits rate is generally a positive sign for faster wage growth, which has been disappointing for the last few years. Effects of Hurricanes Irma and Harvey were felt once again, as openings in accommodations and food services fell 111,000, the largest such decline since 2001. However, demand for business services employees jumped to 1.19 million, the highest level in over a year.

Weekly initial jobless claims were 10,000 higher than anticipated, coming in at 239,000 for the week ended November 4. However, the four-week moving average, which tends to smooth out anomalies in week-to-week reports, fell to 231,250, the lowest level seen since March of 1973. The surprise increase this week was attributed to the continued recovery of Puerto Rico, as the government is better able to process claims and work through a backlog.

U.S. consumer sentiment fell in early November, though the index remained at the second highest level of 2017. The University of Michigan's index of consumer attitudes dropped to 97.8, below the expectations of 100.7. The measure rose to 100.7on October 13, the highest level since 2004, but has been consistently declining since then. Anticipation of an uptick in inflation and higher interest rates weighed on the reading, though a record number of Americans mentioned an improving jobs market. The results show that consumers may be dissecting whether or not income gains will be enough to offset the increase in borrowing costs for home and auto purchases.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
JOLTS (Millions)	6.09	6.12	▼
Consumer Credit (Billions)	20.830	11.787	▲
U. of Mich. Consumer Sentiment	97.8	96.8	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	23422.21	-0.50%	18.52%	24.53%
NASDAQ	6750.94	-0.20%	25.41%	29.61%
S&P 500 Large Cap	2582.30	-0.21%	15.34%	19.14%
MSCI EAFE	2002.55	-0.30%	18.92%	21.68%
Barclays Aggregate US	2041.94	-0.04%	3.32%	2.37%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.22%	1.07%	0.47%
10-Year Treasury	2.40%	2.36%	2.15%

REPORTS DUE NEXT WEEK	LATEST
NFIB Small Business Optimism	103
Producer Price Index	2.6%
Retail Sales	1.6%
Industrial Production	0.3%
Housing Starts (Millions)	1.127

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.