



### THE WEEK IN REVIEW

The Consumer Confidence Index rose to 95.4 in May, slightly ahead of expectations of 95.1 and above April's revised level of 94.3. Job readings were mixed. Although the six-month job outlook was favorable, more people described jobs as "hard to get" than previously. The results will likely dampen expectations for the May employment report.

In housing news, sales of new homes skyrocketed 6.8% in April to an annual rate of 517,000 versus expectations of 490,000. The strongest region was the Midwest where sales increased by 36.8%, the highest increase for the region since April 2008. Sales declined slightly for the West and Northwest, but the South increased by 5.8%. Pending home sales continued their hot streak for the fourth consecutive month posting a 3.4% increase in April to a seasonally adjusted level of 112.4. Pending home sales were up 14% year over year marking the largest annual increase since September 2012.

Despite the seasonally adjusted 0.5% decline in durable goods orders in April, business investment finally picked up after an extended period of weakness. Core capital goods orders rose 1%. Excluding transportation, a difficult to predict and volatile market, durable goods orders increased 0.5% which was the second positive month in a row after five consecutive declines. However, U.S. business investment is still 2.5% behind last year's pace through April. Analysts view low business spending as a significant reason for the underperformance of the U.S. recovery.

First quarter GDP revisions were released Friday. The -0.7% revision was basically in line with expectations. Also released on Friday was the final reading of the University of Michigan Consumer Sentiment Index which came in at 90.7 and showed an improvement from the mid-month score of 88.6.

Markets were volatile across the globe this week. Tuesday's steep decline was due to an unexpected spike in the dollar. Markets bounced back on Wednesday as the NASDAQ Composite Index hit another record high. Today's news indicating first quarter GDP has been revised to show a contraction also weighed on equity markets. International stocks were lower for the week on continued fears of the euro zone response to the upcoming Greek debt repayment deadline.

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	18,010.68	-1.21%	1.05%	7.86%
NASDAQ	5,070.03	-0.38%	7.05%	19.35%
S&P 500 LargeCap	2,107.39	-0.88%	2.36%	9.76%
S&P 400 MidCap	1,524.67	-1.10%	4.97%	10.43%
S&P 600 SmallCap	712.88	-0.74%	3.30%	9.56%
MSCI EAFE	1,913.47	-1.13%	7.81%	-2.16%
MSCI Emerging Markets	1,009.52	-2.71%	5.56%	-2.80%

Barclays Aggregate US	0.45%	0.84%	2.74%
Bloomberg Non-US Govt Bond	-0.12%	1.17%	4.41%
Bloomberg US Treasury Index	0.51%	0.64%	3.15%
Bloomberg High Yield Index	0.01%	4.76%	1.70%

KEY BOND RATES	WEEK	1 MO AGO	1 YR AGO
3-Month T-Bill	0.00%	0.00%	0.03%
2-Year Treasury	0.61%	0.56%	0.38%
5-Year Treasury	1.48%	1.42%	1.53%
10-Year Treasury	2.12%	2.04%	2.47%
30-Year Treasury	2.89%	2.75%	3.32%
Municipal Bond Yields (10 Yr)	2.31%	2.09%	2.22%

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

### UPCOMING WEEK

On Monday, consumer and construction spending data will be released for April. On Tuesday, motor vehicles sales for May will be reported. Forecasters are estimating sales of 17.1 million units versus last month's posting of 16.5 million. Ending the week will be Friday's nonfarm payroll and unemployment rate for May. Expectations are for 218,000 jobs to be added with the unemployment rate staying at 5.4%. In addition, May's average hourly earnings will be released on Friday with an expectation of 0.3% rise versus a 0.1% rise in April.

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