



### THE WEEK IN REVIEW

The big news of the week was the U.S. presidential election, as Republican Donald Trump defeated Democrat Hillary Clinton in the race to succeed President Obama. What's more, Republicans also regained control of the Senate and retained a majority in the House of Representatives, giving them control of both Congress and the White House for the first time since 2005. The result came as a surprise to most pundits and investors, as many had called for an easy Clinton victory.

After dropping nearly 5% while votes were still being counted on Tuesday evening, all major indexes finished up at least 3.7% on the week, with the Dow Jones closing at an all-time high on Thursday. Bond yields were also up on the week, with 10-Year U.S. Treasury yields going above 2% for the first time since January.

Many sectors that tend to perform well with more conservative, less regulated governments had stellar weeks, led by financials and healthcare. More specifically, banks and biopharmaceutical stocks were among this week's best performers. Further, domestic-focused industrial companies, particularly construction materials stocks posted very strong performance.

U.S. bond yields rose on inflation expectations, as some of President-elect Trump's stated policies may have inflationary tendencies. Further, the U.S. Dollar index strengthened against a basket of currencies following a sharp drop during election night. Abroad, emerging market currencies, and markets in general were mostly down significantly, with Mexican markets down more than 16% following the election results. The notable exception to the drop off was Russian markets, up almost 2% since Wednesday morning.

Oil prices experienced similar volatility, dropping nearly 4% Tuesday night, before finishing Wednesday above \$45/barrel. On Friday, however, prices dipped again as expectations of an output cut or freeze from OPEC also dropped. Given the current glut in oil supply, prices had jumped on last month's news that a freeze was possible. Furthering concerns of a prolonged oversupply of oil is President-elect Trump's pledge to continue pushing the U.S. to increased self-reliance in energy.

In one of the only economic data releases of the week, jobless claims of 254,000 were below consensus expectations of 260,000, down about 11,000 from last week. This marks the 88th straight week with initial claims under the 300,000 threshold, the first time that has happened since 1970.

The other notable data point was released Friday morning, as consumer sentiment came in at 91.6. This was well above consensus expectations of 88.0, and last month's level of 87.2.

| ECONOMIC INDICATOR                 | LATEST | 3MO PRIOR | CHANGE |
|------------------------------------|--------|-----------|--------|
| JOLTS Report (thousands)           | 5,486  | 5,643     | ▲      |
| Consumer Sentiment                 | 91.6   | 89.8      | ▲      |
| Initial Jobless Claims (thousands) | 254    | 266       | ▼      |

| INDEX                 | LEVEL    | WEEK   | YTD    | 12 MO  |
|-----------------------|----------|--------|--------|--------|
| DJ Industrial Average | 18847.66 | 5.36%  | 8.16%  | 6.47%  |
| NASDAQ                | 5237.11  | 3.78%  | 4.59%  | 3.36%  |
| S&P 500 LargeCap      | 2164.45  | 3.80%  | 5.90%  | 4.31%  |
| MSCI EAFE             | 1645.70  | 0.39%  | -4.11% | -5.60% |
| Barclays Aggregate US |          | -1.48% | 3.60%  | 3.76%  |

| KEY BOND RATES   | WEEK  | 1MO AGO | 1YR AGO |
|------------------|-------|---------|---------|
| 3-Month T-Bill   | 0.47% | 0.33%   | 0.13%   |
| 10-Year Treasury | 2.15% | 1.76%   | 2.33%   |

| REPORTS DUE NEXT WEEK | LATEST |
|-----------------------|--------|
| Retail Sales MoM      | 0.6%   |
| PPI YoY               | .07%   |
| Industrial Production | 0.1%   |
| CPI YoY               | 1.5%   |
| Housing Starts        | 1.05M  |

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

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