

The Markets (as of market close November 23, 2018)

Trading volume may have been slower than usual during the Thanksgiving holiday week, but that didn't stop the downward spiral for stocks. Tumbling oil prices, which fell to their lowest levels in over a year, pulled energy shares downward and raised fears of an economic slowdown. Each of the benchmark indexes listed here fell sharply last week, headed by the Dow, followed closely by the Nasdaq. As stocks regularly hit new highs earlier in the year, pushing values higher than their 2017 closing marks, all of those gains have frittered away these past few months. Of the indexes listed here, only the Nasdaq is still ahead of its 2017 year-end price — but only barely. Each of the other indexes have fallen notably below last year's respective values.

Oil prices continued to fall, plummeting to \$50.39 per barrel by late Friday, down from the prior week's closing price of \$56.77 per barrel. The price of gold (COMEX) gained for the second week in a row, climbing to \$1,223.40 by Friday evening, up from the prior week's price of \$1,221.70. The national average retail regular gasoline price was \$2.611 per gallon on November 19, 2018, \$0.075 lower than the prior week's price but \$0.043 higher than a year ago.

Market/Index	2017 Close	Prior Week	As of 11/23	Weekly Change	YTD Change
DJIA	24719.22	25413.22	24285.95	-4.44%	-1.75%
Nasdaq	6903.39	7247.87	6938.98	-4.26%	0.52%
S&P 500	2673.61	2736.27	2632.56	-3.79%	-1.54%
Russell 2000	1535.51	1527.53	1488.68	-2.54%	-3.05%
Global Dow	3085.41	2925.22	2852.37	-2.49%	-7.55%
Fed. Funds target rate	1.25%- 1.50%	2.00%- 2.25%	2.00%- 2.25%	0 bps	75 bps
10-year Treasuries	2.41%	3.06%	3.03%	-3 bps	62 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 pace of home building picked up in October, but applications for building permits and home completions each fell below their respective September rates. Applications for building permits were 0.6% below their September pace, while home completions dropped 3.3% from their September estimate. On the other hand, housing starts were 1.5% above their September figures, which should add to new home inventory for November. A comparison of year-on-year rates shows how much the housing sector has slowed. Building permits are down 6.0% from October 2017, housing starts are off by 2.9%, and housing completions are 6.5% below last year's pace.
- For the first time in seven months, sales of existing homes expanded. Total existing home sales increased 1.4% in October from September, yet are still down 5.1% compared to a year ago. The median existing-home price in October was \$255,400, which is down from September's price of \$256,900 but up from the October 2017 price (\$246,000). Total housing inventory at the end of October decreased from 1.88 million in September to 1.85 million existing homes available for sale, representing a 4.3-month supply at the current sales pace.
- New orders for durable goods fell for the third time in the last four months in October. New orders dropped 4.4% from September. Transportation equipment, down 12.2% following two consecutive monthly increases, drove the decrease. Excluding transportation, new orders increased 0.1%. Shipments of durable goods decreased 0.6% in October, while unfilled orders declined 0.2% following eight consecutive monthly increases. Inventories, down two of the last three months, were virtually unchanged from September.
- For the week ended November 17, the advance figure for seasonally adjusted initial claims for unemployment insurance was 224,000, an increase of 3,000 from the previous week's level, which was revised up by 5,000. According to the Department of Labor, the advance rate for insured unemployment claims remained at 1.2% for the week ended November 10. The advance number of those receiving unemployment insurance benefits during the week ended November 10 was 1,668,000, a decrease of 2,000 from the prior week's level, which was revised down by 6,000.

Eye on the Week Ahead

The last week of the month offers several important economic reports, including the second report on gross domestic product for the third quarter. The initial report showed the economy grew at an annual rate of 3.5%. With consumer spending continuing to show strength, the GDP is not expected to vary significantly from last month's growth rate.

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