



Stonebridge Market Wrap

December 1, 2017

For the week ending December 1, 2017

There was an mini earthquake this week as big 2017 winners were sold off and losers bought. Tech was out and retail and oil was in. Is this the start of a more lasting sector rotation or was it booking profits and short covering? It is too early to say. What we can say is that the economy is humming, unemployment is low and earnings are pretty good. This is a great backdrop into which we can drop a once-in-a-generation tax overhaul. On that prospect, the market took off when it appeared that the Republicans might just have the votes to move the bill from the Senate to a conference committee and eventual passage in a few weeks.

Also, on Friday there was news that Michael Flynn, former National Security Advisor(28 days), pled guilty to lying to the FBI. This was widely anticipated but was spun into a big “Flynn is going to bury Trump” story. That, of course, stepped on the Tax Bill story a few other big stories and initially knocked the market down by 350 points. Being Friday, the market recovered most of the losses but was soft for the balance of the day. Otherwise, it was a fine week. New highs were attained including another round number for the Dow; 24,000. This thousand points took all of 30 trading days and is the fifth thousand point mark crossed *this year*. The S&P and Nasdaq also set new highs although none of them closed the week at their new highs. Fun fact: on Wednesday and Thursday, the Dow Transports were up 5.4%. Remarkable. Another fun fact: this week was the best week of 2017.



Next week should be interesting. We’ll get a better look at the tax bill and the reconciliation process, hopefully. As of the close of the market Friday, the bill still had not been voted on because of procedural delays. We also get the unemployment report.

David A. Eckenrode
Director of Equity Management

Key Economic Releases for the coming week:

Tuesday, December 5th:

- ◆ ISM Services Index; 59.0 expected

Friday, December 8th:

- ◆ Unemployment; 4.1% expected
- ◆ Nonfarm Payrolls; 185M expected

| Index & Price Changes for week ending 12/1/17 | |
|---|-----------------------------|
| DJIA- 23,557.99 | Rose 673.60 points |
| NASDAQ- 6889.16 | Fell 41.57 points |
| S&P 500- 2602.42 | Rose 39.80 points |
| S&P Small Cap 600- 925.25 | Rose 18.34 points |
| 90 Day T Bill- 1.26% | Yield Fell .01% |
| 2 yr TSY- 1.78% | Yield Rose .04% |
| 5 yr TSY- 2.12% | Yield Rose .06% |
| 10 yr TSY- 2.36% | Yield Rose .02% |
| 30 yr TSY- 2.76% | Yield Was Unchanged |
| Oil- \$ 58.38* | Fell \$.47 per barrel |
| Gold- \$ 1292.50* | Fell \$16.50 per oz. |
| Unleaded Gasoline-\$1.74* | Fell \$.04 per gallon |
| Euro- \$ 1.1897 | Fell \$.0074 against the \$ |

* Wholesale price for NY Mercantile Exchange traded contract



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Stonebridge's New Community Partner

For the last two years, we have had the pleasure of partnering with CommonBond Communities in an effort to raise awareness to their mission of building stable homes, strong futures and vibrant communities.

Throughout these past couple of years, we have had the opportunity to donate and volunteer in programs such as: Backpacks 4 Kidz, Upper Post Grill Out, Grand Gala, Give to the Max Day and Birdies for Hope.

While we do plan to continue a partnership with CommonBond throughout 2018, we now look to welcome in our 2018-2020 Community Partner, Goodwill- Easter Seals Minnesota!

Goodwill- Easter Seals' mission is "To eliminate barriers to work and independence" and has been serving the Minnesota community for nearly 100 years. They are leaders in workforce development, education job training and placement for those seeking opportunities to not just start a job but a career. If you would like to learn more about Goodwill- Easter Seals and ways you can get involved check out their website at www.goodwilleasterseals.org.

We are very excited at the opportunity to partner with Goodwill- Easter Seals Minnesota and will provide more information to all of you as we enter the beginning of the partnership in 2018.

Patrick R. Kincade
Marketing Associate