

WeeklyMarket Update



General Market News

- The holiday weekend apparently left investors hungry for safety, with the 10-year Treasury yield reaching an all-time low of 1.375 percent early Tuesday morning. The 30-year yield also hit an all-time low early Tuesday, at 2.163 percent. As the German 10-year bond goes deeper into negative territory, it seems likely that money will continue to gravitate to U.S. Treasuries.
- After a short-lived pullback in response to Brexit, global equity markets rebounded strongly last week. The MSCI Emerging Markets Index led the way higher, but domestic indices also fared very well, with the Dow Jones Industrial Average, Nasdaq Composite, and S&P 500 all gaining more than 3 percent.
- Characteristic of a moderate-growth environment, U.S. economic reports continue to reflect pockets of both strength and weakness. The manufacturing sector showed signs of strength as the ISM Manufacturing Index moved higher to levels not seen in years. Personal income and outlays in May were disappointing, however, and the final estimate of first-quarter gross domestic product came in at just 1.1 percent.

% Market Index Performance Data

EQUITIES

Index	Week-to-Date %	Month-to-Date %	Year-to-Date %	12-Month %
S&P 500	3.27	0.21	4.06	3.46
Nasdaq Composite	3.31	0.42	-2.20	-1.70
DJIA	3.18	0.13	4.45	3.77
MSCI EAFE	2.70	0.01	-4.03	-10.30
MSCI Emerging Markets	3.85	0.01	6.53	-11.72
Russell 2000	2.67	0.42	2.64	-6.53

Source: Bloomberg

Market Index Performance Data (continued)

FIXED INCOME

Index	Month-to-Date (MTD) %	Year-to-Date (YTD) %	12-Month %
U.S. Broad Market	0.21	5.53	6.45
U.S. Treasury	0.21	5.59	6.72
U.S. Mortgages	0.04	3.15	4.61
Municipal Bond	0.09	4.43	7.89

Source: Morningstar Direct



What to Look Forward To

The week will begin with **Factory Orders**, which are expected to have been weak in May.

The rest of the economy is expected to look relatively good in the late-June reading of the **ISM Non-Manufacturing Index**.

The most anticipated news is the June **Employment** report, scheduled for release on Friday.

Certain sections of this commentary contain forward-looking statements that are based on our reasonable expectations, estimates, projections, and assumptions. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties, which are difficult to predict. All indices are unmanaged and are not available for direct investment by the public. Past performance is not indicative of future results. The S&P 500 is based on the average performance of the 500 industrial stocks monitored by Standard & Poor's. The Nasdaq Composite Index measures the performance of all issues listed in the Nasdaq Stock Market, except for rights, warrants, units, and convertible debentures. The Dow Jones Industrial Average is computed by summing the prices of the stocks of 30 large companies and then dividing that total by an adjusted value, one which has been adjusted over the years to account for the effects of stock splits on the prices of the 30 companies. Dividends are reinvested to reflect the actual performance of the underlying securities. The MSCI EAFE Index is a float-adjusted market capitalization index designed to measure developed market equity performance, excluding the U.S. and Canada. The MSCI Emerging Markets Index is a market capitalization-weighted index composed of companies representative of the market structure of 26 emerging market countries in Europe, Latin America, and the Pacific Basin. The Russell 2000® Index measures the performance of the 2,000 smallest companies in the Russell 3000® Index. The Barclays Capital Aggregate Bond Index is an unmanaged market value-weighted performance benchmark for investment-grade fixed-rate debt issues, including government, corporate, asset-backed, and mortgage-backed securities with maturities of at least one year. The U.S. Treasury Index is based on the auctions of U.S. Treasury bills, or on the U.S. Treasury's daily yield curve. The Barclays Capital Mortgage-Backed Securities (MBS) Index is an unmanaged market value-weighted index of 15- and 30-year fixed-rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (FHLMC), and balloon mortgages with fixed-rate coupons. The Barclays Capital Municipal Bond Index includes investment-grade, tax-exempt, and fixed-rate bonds with long-term maturities (greater than 2 years) selected from issues larger than \$50 million. Rev.07/16.

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