

COMMENTARY

Existing home sales surpassed expectations in January and rebounded to their best level since 2007. At a 5.69 million annualized pace, existing home sales were ahead of expectations of a 5.55 million rate and the prior month's revised pace of 5.51 million.

However, new home sales were below expectations in January. Expectations were calling for an annualized rate of new home sales at 571,000, but the actual rate was 555,000. While below expectations, it was an improvement from December's revised mark of a 535,000-annualized pace.

The final University of Michigan consumer sentiment index for February came in at 96.3. This was better than the anticipated reading of 96.0 and the preliminary level of 95.7. Although this was below January's multi-year high of 98.5, this reading continued to reflect an elevated level of consumer confidence.

The most recent weekly initial jobless claims reading was slightly higher (worse) than anticipated at 244,000 compared to expectations of 240,000. However, the four-week moving average for this reading declined to its best (lowest) level since 1973. Recent employment readings have continued to reflect a solid job market.

After a light week of economic data, next week has several economic announcements of note scheduled to be released. Preliminary durable and capital goods orders for January will be announced. Pending home sales for January and home price data for December will also be released. The second reading of fourth quarter 2016 gross domestic product (GDP) will be released. As of the time of this writing, GDP was expected to be revised higher to show a 2.1% annualized growth rate compared to the preliminary estimate of 1.9%. The Conference Board's consumer confidence reading for February will be announced, along with the January readings covering personal income, personal spending and the personal consumption expenditures (PCE) price index. (The PCE price index is the Federal Reserve's preferred measure of inflation.) Finally, the Institute for Supply Management's (ISM's) manufacturing and non-manufacturing indices for February are scheduled to be released.

Data Source: Bloomberg.

MARKET ACTIVITY UPDATE	2/15/2017 - 2/22/2017	YTD AS OF 2/22/2017
S&P 500 Total Return:	+0.60%	+5.85%
Russell 1000 Value Total Return:	+0.44%	+4.24%
U.S. 10-Year Treasury Yield:	-8 bps (2/22/17 close 2.41%)	-3 bps
Crude Oil WTI:	+0.90% (2/22/17 close \$53.59 per barrel)	-0.24%

Data Source: Bloomberg. (Some numbers are rounded.)



S&P 500 Index Total Return: The Standard and Poor's 500 Index is a capitalization-weighted index. It is a measure of U.S. stocks that represent all major industries and is designed to measure the performance of the broad U.S. economy through changes in its market value. (The total return for this index is used in the Market Activity Update table.)

Russell 1000 Value Index Total Return: The Russell 1000 Value Index is an index that is used to measure the performance of a subset of the Russell 1000 companies that have lower price-to-book ratios and lower forecasted growth values. (The total return for this index is used in the Market Activity Update table.)

U.S. 10-Year Treasury Yield: Generic yield for 10-year U.S. government bonds.

Crude Oil WTI: Crude oil futures contract for West Texas Intermediate crude oil.

Source: Bloomberg.

You cannot invest directly in an index.

This commentary is not intended as investment advice or an investment recommendation. It is solely the opinion of our investment management team at the time of writing. Nothing in the commentary should be construed as a solicitation to buy or sell securities. Past performance is no indication of future performance. The author has taken reasonable care to ensure that the information is accurate. Some data is subject to revision. Global Financial Private Capital is an SEC Registered Investment Adviser. Registration does not imply a certain level of skill or training.

Consult your financial professional before making any investment decision.