



COMMENTARY

This week was rather light on economic data after last week saw several announcements of note.

Existing home sales were modestly lower than expected in February at a 5.48 million annual pace. Expectations were calling for a 5.55 million annual rate compared to the prior month's mark of a 5.69 million pace.

New home sales, however, were stronger than anticipated at a 592,000-annual pace for February. An annual rate of 564,000 was expected. In July 2016, new home sales hit a 622,000-annual pace, marking the best level since 2008. The reading for February turned out to be the second-best rate since 2008.

The latest reading for weekly initial jobless claims increased to 261,000. This was worse (higher) than expectations of 240,000 and last week's revised mark of 246,000. However, jobless claims remain subdued and continue to reflect strength in the job market.

Preliminary durable goods orders surpassed expectations, increasing 1.7% for the month of February when a 1.4% gain was expected. However, preliminary non-defense capital goods orders (excluding aircraft and parts) fell 0.1% in February when a monthly increase of 0.5% was anticipated.

Next week, economic readings pick up once again. Home price data for January and pending home sales for February will provide further insight on housing market activity. Consumer confidence readings for March from the Conference Board and the University of Michigan are scheduled to be released. The third and final reading of fourth quarter 2016 gross domestic product (GDP) growth will be announced. Personal income and spending data for February will also be released, along with the personal consumption expenditures (PCE) price index for February. The PCE price index is the Federal Reserve's (Fed's) preferred measure of inflation, and it will be monitored closely as inflation readings have been generally rising in recent months with this reading getting closer to the Fed's target inflation rate of 2%.

MARKET ACTIVITY UPDATE	3/15/2017 - 3/22/2017	YTD AS OF 3/22/2017
S&P 500 Total Return:	-1.52%	+5.40%
Russell 1000 Value Total Return:	-2.12%	+2.50%
U.S. 10-Year Treasury Yield:	-9 bps (3/22/17 close 2.41%)	-4 bps
Crude Oil WTI:	-1.68% (3/22/17 close \$48.04 per barrel)	-10.57%

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.

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