



Weekly Market Review

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The Week Ending August 4, 2017

On Friday, the Dow Jones Industrial Average closed at 22,052 setting a new all-time high for the eighth day in a row. Optimism is high as the market latches on to every bit of good news. Two weeks ago, the Dow had a strong week from a bump in oil and energy prices. Last week, a weakening U.S. Dollar and positive employment news were credited as the source of optimism. The U.S. economy added another 209,000 jobs bringing the unemployment figure down to 4.3%. This figure represents the lowest unemployment rate since 2001. While the unemployment rate continues to fall, wages are growing but not as quickly as many economists would expect given the tightening labor market.

Highlights:

Dow closed at a new all-time high: 22,052

Unemployment down to 4.3%
(Lowest rate since 2001)

While U.S. companies continue to post impressive earnings growth this year, profits have been even better in the Eurozone. U.K. stocks closed at their highest level in six weeks on Friday helping to propel the MSCI EAFE to a 0.87% gain last week and 17.80% for the year. The U.K. is the second largest country weighting (after Japan) in the MSCI EAFE which represents International Developed Markets. Chinese equities are testing multi-year highs as the Shanghai Composite Stock Index puts the memory of the dramatic rise and mid-2015 crash further in the rearview mirror. China represents the largest country weight in the MSCI Emerging Market Index at about 29%. The index is up an impressive 25.66% for the year so far.

Bitcoin, the most well-known cryptocurrency, hit another all-time high this weekend at \$3,360.87. Bitcoin is gaining more and more attention as prices continue to soar. Bitcoin's market cap has exceeded the \$55 billion mark making it the largest cryptocurrency by far. The second largest is just over \$25 billion, and the third is under \$7 billion. Some people see the rise of Bitcoin as a fad and massive bubble that will inevitably end in disaster. Others see Bitcoin as a viable decentralized currency that will put the world back on a gold standard of sorts. It's hard to imagine what the future may really bring for Bitcoin. But right now, it's the Wild West for the cryptocurrency market with absolutely no regulation. So if you do want to participate, you need to be very careful not to fall victim to fraud and also have a strong stomach to weather the massive price swings.



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