



Weekly Market Review

By: Jim Rambo, Allegeny Research Team



The Week Ending November 24, 2017

The Dow, S&P 500, NASDAQ 100, and Russell 2000 all hit fresh, new highs on a shortened holiday week. International and Emerging Market Equities were up as well pushing the EAFE and MSCI Emerging Market Indices to returns of 23% and 36% respectively for the year. Oil prices hit a two-year high late last week trading close to \$59 per barrel. This increase was partly due to a shutdown of the Keystone pipeline in South Dakota. But investors are also eyeing the upcoming OPEC meeting where the cartel members will discuss their willingness to extend their current level of production cuts. So far, prices have been persistently low with U.S. shale production offsetting much of those cuts.



Treasury yields were down slightly last week on comments from the outgoing Fed Chairwoman Janet Yellen. She elaborated on her September comment of the low inflationary environment being "more of a mystery." She said the Fed does not understand the causes of low inflation despite unemployment being lower now than pre-crisis levels, wages beginning to rise, and global stocks and bonds are at all-time highs. The market took these comments as a sign the Fed's campaign to raise interest rates may peak at a lower level than previously thought. Yellen continues to believe that low unemployment and wage growth will lead to inflation. But she does warn that if low inflation continues, it could be a "dangerous" situation limiting the ability to continue raising rates. If rates peak soon, Yellen says there would not be "a lot of scope to use monetary policy to address weakness. That would be a very dangerous state of affairs."



The information included herein was obtained from sources which we believe reliable. This report is being provided for informational purposes only. It does not represent any specific investment and is not intended to be an offer of sale of any kind. Past performance is not a guarantee of future results.

Allegheny Financial Group is a Registered Investment Advisor. Securities offered through Allegheny Investments, LTD, a registered Broker/Dealer. Member FINRA/SIPC.