



# Weekly Market Review

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## *The Week Ending March 23, 2018*

Equities had difficulties both domestically and internationally last week. The S&P 500 was down 5.9% which marks the worst week the U.S. stock index has had in two years. The NASDAQ, which is heavily comprised of technology companies, had an even worse week declining about 6.5%. Facebook, Google, and Apple led the tech selloff with declines of 13.9%, 9.5%, and 7.3% respectively. Facebook, along with its Founder and CEO, Mark Zuckerberg, has found itself embroiled in controversy surrounding the misuse of its users' data. Cambridge Analytica, a British political consulting firm, allegedly harvested 50 million Facebook users' data to influence elections including the U.S. presidential election between Clinton and Trump. Zuckerberg has been summoned by UK lawmakers to give evidence and answer questions related to the scandal. U.S. lawmakers are likely to summon Zuckerberg to testify as well.



To put more pressure on equity prices, late last week President Trump announced his intentions to implement tariffs targeting \$50 billion of Chinese imports. China immediately responded with a list of U.S. imports such as pork and apples to raise their own tariffs for. The U.S. exports about \$3 billion annually to China of items on the list. Worries grow as the two economic heavyweights in the global economy posture and threaten to escalate into a trade war.

The Fed met last week and raised the Fed Funds target rate to 1.75% as expected. Very little changed in the rhetoric for its plan this year under the new Chairman, Jerome Powell. They did, however, signal that the Fed may favor a more aggressive policy in the coming years if the economy continues to pick up steam and inflation creeps up. Treasury yields initially ticked up on the news but fell into the close of the week as the trade war worries grew. The Bloomberg Barclays Aggregate Bond Index closed the week flat and remains down 2.0% year-to-date.



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