



Weekly Market Review

By: Jim Rambo, Allegheny Research Team



The Week Ending October 6, 2018

It was an anxious week in global markets with equities, bonds, and real estate all closing the week down. Monday started the week off on the right foot with the focus on Canada joining the U.S. and Mexico in agreeing to terms on the new agreement to replace NAFTA. The new deal, dubbed United States-Mexico-Canada Agreement (USMCA), cleared up some of the uncertainty surrounding President Trump's effort to renegotiate trade deals with the U.S.'s largest trading partners. That relief, however, was short-lived as the focus turned back to China later in the week. Vice President Mike Pence gave a speech on Thursday which not only criticized China's economic management practices but went on to directly accuse China of meddling in the upcoming U.S. elections via "covert actors, front groups, and propaganda outlets." "China wants a different American president," Pence said. The Vice President went on to criticize China's activities of building islands to claim territory and militarizing the South China Sea. The speech sent a message that President Trump's beef with China goes way beyond unfair trade practices.



The yield on the 10-year Treasury rose to 3.3%, the highest level in seven years, on positive solid economic growth news with the thought that the Fed may raise rates more quickly than anticipated. The jobs report on Friday showed the economy created 134,000 in September. And while this is below the recent strong pace, some softness was expected from the effects of job losses due to Hurricane Florence. The unemployment rate fell to 3.7%, and wages increased by 2.8%, which was particularly strong. The rate of wage growth was the second strongest month since the Global Financial Crisis. The uptick in yields pushed bond prices lower with the Bloomberg Barclays U.S. Aggregate Bond Index closing the week down 0.9%. The broad-based U.S. bond index is now down 2.5% for the year.



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.