Macroeconomic Overview

	Index	Weekly % Change	YTD % Change
SPX Index	SPX Index	0.67%	6.44%
INDU Index	INDU Index	0.88%	6.29%
CCMP Index	CCMP Index	0.44%	9.06%
RTY Index	RTY Index	0.09%	2.90%
VIX Index	VIX Index	-4.45%	-20.58%

Domestic

U.S. equities markets continued to show positive growth marking the fourth consecutive week of gains. The Dow Jones Industrial Index posted the largest gain this week as it settled at 21,006 points reinforcing a -21% decline in volatility. Equity markets weren't the only winner this week as other strong macroeconomic increases were recognized. The economy witnessed the lowest jobless rate in twenty-four years reinforcing possible discretionary growth in the coming week. Edward Jones reported an increase in consumer retail spending of 5.6% in December, a positive sign towards non-elastic purchases throughout 2017. The surge in equities since the U.S. inauguration would certainly back that up as well. However, President Trump's first eight weeks in office have also impacted economic uncertainty. Guiding comments regarding his campaigns towards infrastructure, lowered corporate tax rates, and increased manufacturing growth have been undermined through lacking specificity from his first Congressional Address.

Although, a more nuanced belief may stem from the Federal Reserve's increased expectation to raising rates on March 15^{th}. The hikes have been priced in the market since the December meeting with a 50% probability in the decision. We still suggest a closer analysis towards discretionary markets as confidence is rising with growth estimates in the overall economy. The December hikes may have recognized seasonality growth however a spike in interest rates and growing equity levels reflect an expansionary economy.

Usually, with a rate hike, financials would see more growth because of more demand for financing. However, financials witnessed the brunt of the market's downside. A rate hike may not immediately benefit those institutions, so we look towards discretionary. Consumers with higher confidence and strong retail spending habits normally supports growth in non-elastic goods throughout expansionary periods. Since historic growth has been seen with more expected, we forecast a normalization in the financial sector.

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Foreign Markets

	Index	Weekly % Change	YTD % Change
BE500 Index	BE500 Index	1.44%	2.82%
SXXP Index	SXXP Index	1.41%	3.00%
DAX Index	DAX Index	1.89%	4.23%
UKX Index	UKX Index	1.80%	2.75%
CAC Index	CAC Index	3.09%	1.91%
NKY Index	NKY Index	0.96%	1.20%
SHCOMP Inde	SHCOMP Index	-1.08%	4.47%
SZCOMP Inde	SZCOMP Index	0.08%	3.17%

Foreign activity remained uneventful this week, posting positive gains, but with more to determine next week. The Organization for Economic Co-Operative and Development point towards optimistic futures, indicating a 3.3% climb in overall economic growth. This would end a two year decline in foreign productivity. However, the UK remains halted by Brexit roadblocks. A conflict within the House of Lords is preventing the movement from gaining any ground, possibly suggesting a temporary surge. Without observable progress within a monumental movement, British equities are still subject to the aftermath of Brexit.

China, on the other hand, experienced positive yearly gains, but feeble weekly gains. Although expectations mount a 6.5% increase in GDP, a slowdown is still forecasted. Analysts point towards moderate gains in real estate, exports, and infrastructure to somewhat offset the decline.

This Week Ahead:

Europe:

- Q4 Eurozone GDP – 3/7
- Release of Rate Expectations – 3/9

Japan:

- Q4 GDP 3/8

China:

- Interest Rate Announcement – 3/6