



**Market in a Minute**  
July 3, 2018

Index Performance: As of June 29, 2018

Index	Price	Last Week	YTD
Dow Jones 30	24283	-1.2%	-1.8%
S&P 500	2723	-1.2%	1.8%
NASDAQ	7562	-1.7%	9.5%
Russell 2000	8133	-2.5%	7.7%
Russell 2000 Growth	7289	-2.8%	9.7%
Russell 2000 Value	12217	-2.1%	5.4%
Russell 1000 Growth	1397	-1.7%	7.3%
Russell 1000 Value	1525	-1.0%	-1.7%
Shanghai SE Index	2982	-1.5%	- 13.9%
SPDR Gold Shares	119.25	-0.9%	-3.6%
GS Crude Oil Total Return	8.73	9.3%	33.5%
Powershares US \$ Index	24.94	0.2%	3.8%
Ishares EAFE Index	66.97	-1.2%	-4.8%
iShares Barclays 20+ Yr Treasury Bond	121.72	1.0%	-4.1%
Utilities Select Sector ETF	51.96	2.4%	-1.4%
Vanguard REIT ETF	81.46	0.8%	-1.8%
iShares Mortgage Real Estate	43.45	-2.9%	-3.9%
Wells Fargo BDC	20.22	-0.7%	-2.6%
Alerian MLP ETF	10.10	-2.6%	-6.4%
iShares Global Telecom	54.07	-0.7%	- 10.7%
ETFMG Alternative Harvest ETF	29.40	-5.8%	-9.4%
BitCoin Investment Trust	8.53	- 15.5%	- 61.5%

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

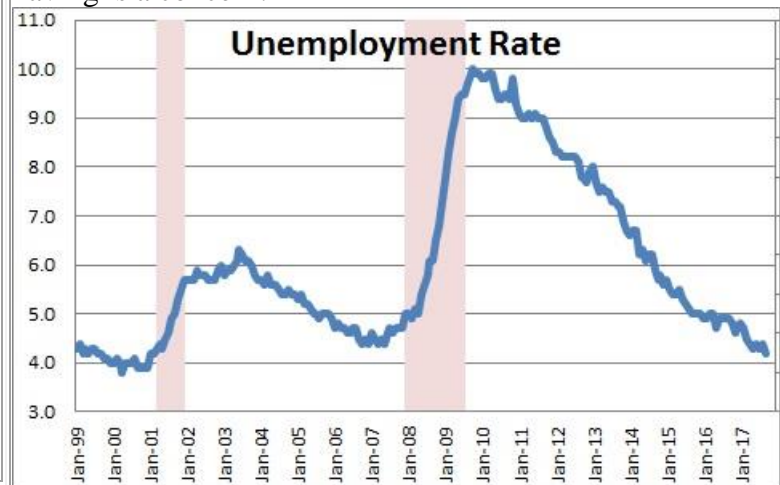
S&P Sector Performance

**A Word on the Market by Pat Adams, CFA**

This week Barron's magazine had an interesting article saying the bull market would end by 2020 as the Federal Reserve increases interest rates, while also reducing their balance sheet of bonds from \$4.5 trillion to \$2.5 trillion. Our investors know that this is our biggest concern, along with a slowing trend in earnings growth in 2019. What to watch for is how stocks react to earnings during the next few weeks. We were thinking as a message from China to the U.S. that some of these China based technology companies would stop ordering U.S. parts late in the quarter thus hurting technology stocks earnings reports, I know that thought is a little odd. If we got a large decline in technology stocks, then Trump may rethink his China policy...or not. Regardless, technology stocks are very over owned.

Next week, we get several of the big banks reporting on Friday. The financials are very cheap, so good news could be very positive for these stocks. No real technology earnings to focus on until the week of July 23<sup>rd</sup>.

This Friday we get the Employment report, consensus is for 205,000 new jobs and the Unemployment Rate to hold steady at 3.8%. This would be welcome news for the market, as the market does not want to see too strong or too soft. The chart below shows when the Unemployment Rate starts to go up it is bad for the market as we start to enter a recession. The rate is not going up likely this year, but it could start to bottom. This is why the trade dispute we are having is a concern.



Index	Price	Last Week	YTD
Information Technology	1223	-1.8%	10.6%
Consumer Disc.	873	-1.5%	11.2%
Consumer Staples	530	0.0%	-9.7%
Health Care	972	-1.2%	1.6%
Financials	444	-1.4%	-4.4%
Industrials	605	-0.9%	-5.2%
Energy	551	-0.8%	3.3%
Telecommunications	148	1.2%	-10.8%
Utilities	262	1.6%	-2.1%
Materials	364	-0.8%	-4.0%

Source: Bloomberg website, Returns are appreciation only.

### Interest Rates

Fed Fund	1.875	5-Year	2.73
3-Month	1.93	10-Year	2.85
6-Month	2.11	30-Year	2.98
2-Year	2.52		

Source: Bloomberg.com

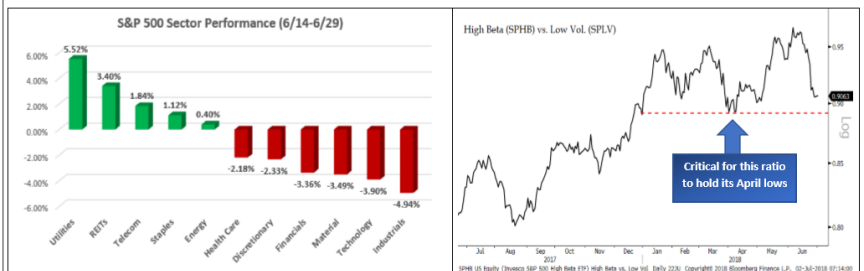
### Economic Events This Week

25-Jun	New Home Sales	666K	646K
26-Jun	Consumer Confidence	127.1	128.0
27-Jun	Durable Orders	-1.0%	-1.7%
27-Jun	Durable Goods ex-transportation	0.4%	0.9%
28-Jun	GDP-Third Est.	2.2%	2.2%
28-Jun	GDP Deflator-Third Est.	1.9%	1.9%
28-Jun	Initial Claims	220K	218K
29-Jun	Personal Income	0.4%	0.3%
29-Jun	Personal Spending	0.4%	0.6%

The dollar has been very strong recently as the Federal Reserve's interest rate policies are positive in terms of attracting investors dollars to our currency. It has crushed many of the international markets, the EFA is in a downtrend and the emerging markets are very close to hitting a bear market, -20%. We have observed the technology sector generally follows, shortly thereafter.

The next two charts are from Baycrest showing the defensive securities outperforming recently in a big way! We should see a reversal soon if it is going to reverse back into the momentum stocks.

We got a buy signal on Bitcoin on Friday and thus on Monday it popped 19.7%...that is unbelievable. We follow GBTC. Perhaps the new gold is cryptocurrencies. Gold looks like it should bottom here which is the next chart.



### GLD - Oversold on Support



Have a safe and happy 4<sup>th</sup> of July!!!!

*If you cannot see these charts please click the PDF link below.*

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<b>29-Jun</b>	Chicago PMI	61.0	62.7
<b>29-Jun</b>	Michigan Consumer Sentiment	99.0	99.3

Source: Briefing.com

#### Economic Events Last Week

Date	Event
<b>25-Jun</b>	The New Home Sales number for May was reported at 689K which was higher than forecasts of 666K
<b>26-Jun</b>	Consumer Confidence for Jun. was reported at 126.4 compared to estimates of 127.1
<b>27-Jun</b>	Durable Orders for May declined -0.6% vs. expectations of -1.0%
<b>27-Jun</b>	Durable Goods ex-transportation for May was -0.3% compared to forecasts of 0.4%
<b>28-Jun</b>	GDP-Third Estimate for Q1 came in at 2.0% which was lower than estimates of 2.2%
<b>28-Jun</b>	GDP Deflator-Third Estimate for Q1 was 2.2% vs. expectations of 1.9%
<b>28-Jun</b>	Initial Claims for the week of 6/23 came in at 227K which was slightly higher compared to consensus forecasts of 220K
<b>29-Jun</b>	Personal Income for May was up 0.4% which was in line with expectations
<b>29-Jun</b>	Personal Spending for May was 0.2% vs. estimates of 0.4%
<b>29-Jun</b>	The Chicago PMI for Jun. came in at 64.1 compared to expectations of 61.0
<b>29-Jun</b>	The Michigan Consumer Sentiment for Jun. was reported at 98.2 vs. estimates 99.0

Source: Briefing.com

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