



**Market in a Minute**  
July 10, 2018

Index Performance: As of July 6, 2018

Index	Price	Last Week	YTD
Dow Jones 30	24456	0.7%	-1.1%
S&P 500	2760	1.3%	3.2%
NASDAQ	7688	1.7%	11.4%
Russell 2000	8387	3.1%	11.0%
Russell 2000 Growth	7543	3.5%	13.5%
Russell 2000 Value	12553	2.7%	8.3%
Russell 1000 Growth	1424	1.9%	9.3%
Russell 1000 Value	1545	1.3%	-0.4%
Shanghai SE Index	2877	-3.5%	-16.9%
SPDR Gold Shares	118.86	-0.3%	-3.9%
GS Crude Oil Total Return	8.68	-0.6%	32.7%
Powershares US \$ Index	24.82	-0.5%	3.3%
Ishares EAFE Index	67.58	0.9%	-3.9%
iShares Barclays 20+ Yr Treasury Bond	122.75	0.8%	-3.2%
Utilities Select Sector ETF	53.17	2.3%	0.9%
Vanguard REIT ETF	83.05	2.0%	0.1%
iShares Mortgage Real Estate	44.56	2.6%	-1.4%
Wells Fargo BDC	20.49	1.3%	-1.3%
Alerian MLP ETF	10.21	1.1%	-5.4%
iShares Global Telecom	55.61	2.8%	-8.1%
ETFMG Alternative Harvest ETF	29.78	1.3%	-8.2%
BitCoin Investment Trust	10.23	19.9%	-53.8%

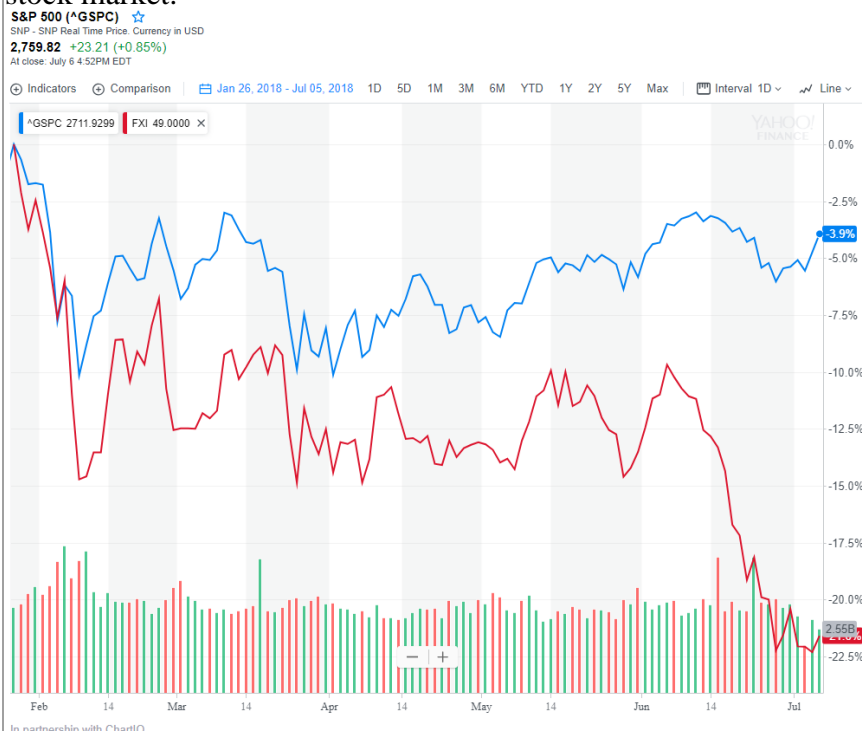
Source: Bloomberg & Yahoo.com, Returns are appreciation only.

S&P Sector Performance

Index	Price	Last Week	YTD

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

The markets have been concerned about a trade war with China and tariffs put on goods of other U.S. trading partners. The fear is real for China as it has so much exposure, also for German auto makers. The U.S. trade deficit with China was \$375 billion in 2017. The U.S. does not have much at risk with China as only \$130 billion is exported to China from the U.S., which amounts to only .7% of the U.S. economy. It would hurt the technology companies as there is a great deal of assembly done in China. A friend of mine is moving his plant from China to the Philippines. There has been a slowing in economic growth in China recently anyway. The big issue is China exports \$506 billion to the U.S. or about 4.5% of their economy, the ripple effect is much larger. If China were to allow the U.S. to get close to a balanced trade deficit it would have a significant negative impact on China. Trump clearly has the upper hand. Below is a chart of the S&P 500 and the iShares China Large Cap ETF from the high of the market in January when the tariff talk started. The S&P 500 is down -3.9%, whereas FXI is down -21%, or a bear market. Our conclusion, unless things begin to escalate to the negative, the issue is priced into the stock market.



Information Technology	1247	1.9%	12.7%
Consumer Disc.	878	0.5%	11.8%
Consumer Staples	537	1.2%	-8.6%
Health Care	996	2.5%	4.1%
Financials	443	-0.2%	-4.6%
Industrials	606	0.3%	-4.9%
Energy	560	1.5%	4.9%
Telecommunications	151	2.2%	-8.9%
Utilities	270	3.0%	0.9%
Materials	366	0.6%	-3.4%

Source: Bloomberg website, Returns are appreciation only.

#### Interest Rates

Fed Fund	1.875	5-Year	2.71
3-Month	1.97	10-Year	2.82
6-Month	2.13	30-Year	2.94
2-Year	2.53		

Source: Bloomberg.com

#### Economic Events This Week

<b>11-Jul</b>	PPI	0.2%	0.5%
<b>11-Jul</b>	Core PPI	0.2%	0.3%
<b>11-Jul</b>	Wholesale Inventories	0.5%	0.1%
<b>12-Jul</b>	CPI	0.2%	0.2%
<b>12-Jul</b>	Initial Claims	225K	231K
<b>13-Jul</b>	Michigan Sentiment	97.8	98.2

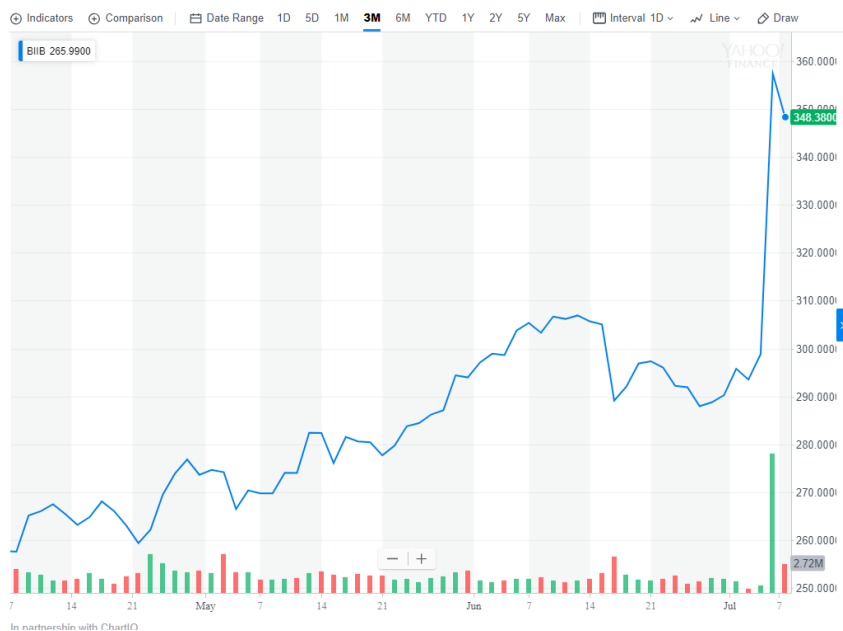
Source: Briefing.com

#### Economic Events Last Week

Date	Event
<b>2-Jul</b>	The ISM Index for Jun. came in at 60.2 which was higher compared to expectations of 58.5
<b>2-Jul</b>	Construction Spending for May rose 0.4% vs. estimates of 0.6%

On Friday, Biogen (BIIB) announced some great news regarding a phase 2 clinical trial for their Alzheimer's drug, proving statistically significant, while also showing a reduction in the amyloid beta. BIIB was up about 20% on Friday or about \$12 billion in market cap. The Alzheimer's market has been very difficult for drug makers to find solutions that are safe and that are also effective. It has been a big mystery what causes Alzheimer's, but this makes it clear and how to treat it. Many drugs in this sector have failed. There is another private company that will soon become public, Alzheon, that we believe has a similar but more effective drug than BIIB. We like the healthcare sector even with the looming threat from Trump on drug price increases. We believe the Alzheimer's sector of the market is extremely attractive as there are no real treatments for this horrible and massive disease, for now. We will keep you updated. Over time BIIB should go much higher, but it will be a couple of more years before BIIB will complete their clinical trial.

Biogen Inc. (BIIB)   
 NasdaqGS - NasdaqGS Real Time Price. Currency in USD   
**348.38** -9.10 (-2.55%)   
 As of 1:48PM EDT. Market open.



Earnings reports begin this week with the banks reporting on Friday. The banks are very oversold and are due for a rally if their reports are as we expect. The sector is very attractively valued.

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<b>3-Jul</b>	Factory Orders for May was up 0.4% vs. forecasts of - 0.2%
<b>5-Jul</b>	Initial Claims for the week of 6/30 came in at 231K which was slightly higher compared to consensus forecasts of 225K
<b>6-Jul</b>	Nonfarm Payrolls for Jun. came in at 213K which was better vs. expectations of 195K
<b>6-Jul</b>	Nonfarm Private Payrolls for Jun. were 202K which was also higher vs. estimates of 192K
<b>6-Jul</b>	Unemployment Rate for Jun. came in at 4.0% compared to forecasts of 3.8%
<b>6-Jul</b>	The Average Hourly Earnings for Jun. increased 0.2% vs. estimates of 0.3%

Source: Briefing.com

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