

MARKET STATISTICS

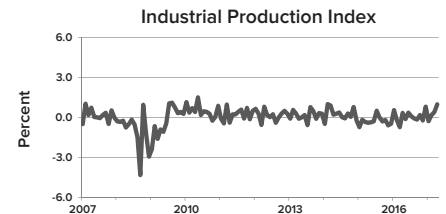
	LAST	WEEKLY CHANGE	% CHANGE
<i>S&P 500</i>	2,382	- 9	- 0.4%
<i>DJIA</i>	20,805	- 92	- 0.4%
<i>10-year U.S. Treasury</i>	2.23%	- 9 BP	

	LAST	WEEKLY CHANGE	% CHANGE
<i>30-year fixed mortgage</i>	4.02%	- 3 BP	
<i>Gold</i>	\$1,255	+ \$27	+ 2.2%
<i>WTI crude oil</i>	\$50.33	+ \$2.49	+ 5.2%

THIS WEEK'S HIGHLIGHTS

Industrial Production Stronger Than Expected

Industrial production rose 1.0% last month marking the largest monthly increase in over 3 years. The results easily exceeded the 0.4% increase expected by economists and industrial output now stands 2.2% higher than one year ago. Motor vehicles/parts and consumer goods production were major contributors, advancing by 5.0% and 1.5% respectively. The capacity utilization rate also climbed to 76.7% from 76.1%.



Builders Remain Optimistic Even as Starts Decline

Housing starts fell 2.6% in April mostly because demand for multi-family homes appears to be winding down. In fact, owner-occupied homes rose at a faster quarterly pace than rental households for the first time in over a decade. The decline in starts did not dampen the outlook for home builders as the National Association of Home Builders Housing Market Index rose two points to 70, one point off a cyclical high.

<i>Period:</i>	May 2017
<i>Announced:</i>	70
<i>Expected:</i>	68
<i>Source:</i>	Natl. Assoc. of Home Builders

Jobless Claims Low But Likely Headed Higher

Initial jobless claims declined by 4,000 to 232,000 in the week ending May 6. Unemployment claims are likely to rise in the near future due to seasonal retooling, particularly in the auto industry. However, it should not be particularly concerning to capital markets if we see a temporary increase in claims, especially considering the underlying health of the overall labor market.

<i>Period:</i>	May 13, 2017
<i>Announced:</i>	232,000
<i>Expected:</i>	240,000
<i>Source:</i>	Department of Labor

Stocks Stumble and Recover Amid Political Turmoil

Donald Trump's alleged association with Russia and backlash after his firing of FBI Director James Comey finally started to take a toll on equity markets this week. The S&P 500 finished well off the mid-week lows but is still down 0.4% to 2,382. WTI crude oil prices rallied 5.2% as it appears likely OPEC will extend production cuts when they meet next week. The 10-year Treasury rally continued to a yield of 2.23%.

<i>2-year UST</i>	- 2 bp to 1.27%
<i>5-year UST</i>	- 7 bp to 1.77%
<i>10-year UST</i>	- 9 bp to 2.23%
<i>30-year UST</i>	- 9 bp to 2.89%
<i>S&P 500</i>	- 9 (-0.4%) to 2,382
<i>DJIA</i>	- 92 (-0.4%) to 20,805
<i>Nasdaq</i>	- 38 (-0.6%) to 6,084
<i>FTSE</i>	+ 35 (0.5%) to 7,471