

**NATIONAL WEALTH ADVISORS** Inc.  
*Business & Personal Financial Planning*

**Michael A. Caputo, MSFS, AEP®**  
**President**

**SUMMIT FINANCIAL RESOURCES, INC.**

**Investment Newsletter February 2017**

National Wealth Advisors Inc. President. Michael A. Caputo. MSFS. AEP® offers securities and investment advisory services through Summit Equities, Inc. Member FINRA/SIPC, and financial planning services through Summit Equities, Inc.'s affiliate Summit Financial Resources, Inc. 4 Campus Drive, Parsippany, NJ 07054. Tel.973-285-3600 Fax.973-285-3666.

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# Summit Financial Resources, Inc.

Investment Newsletter  
February 2017

By Robert W. Lamberti, CFA  
VP & Co-Chief Investment Officer

## Monthly Summary

As with January, investment markets were well-behaved in February. All major asset classes added to year-to-date gains. Notable was the dichotomy of currency impacts on foreign markets. Dollar movement was a modest negative for developed markets, but a strong positive for emerging economies. Growth stocks continued to outperform value in February. Likewise, larger companies have modestly outperformed their smaller counterparts in 2017.

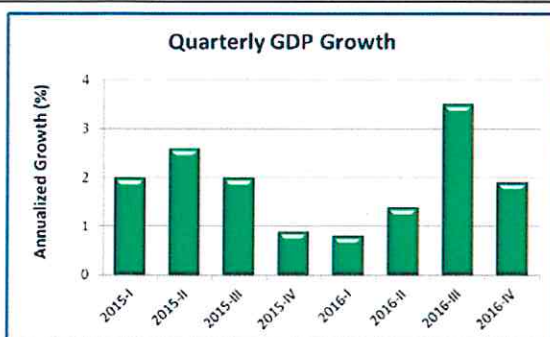
This year's favorable investment dynamics are often ascribed to U.S. election results. Indeed, political changes in Washington are likely causal in many respects, particularly when it comes to certain market sectors such as Financial and Industrials. That said, investors should recognize and appreciate the foundation for market gains is broader based than what has been dubbed the "Trump Rally." Global purchasing managers surveys have been strong, inflation has ticked higher, and wage growth has improved. Consumer confidence also hit a post crisis high in February and retail sales have been healthy. As for corporate fundamentals, the S&P 500 index has put up two quarters of revenue growth (absent in recent years) and the same is expected in the first quarter. Finally, Federal Reserve rhetoric, suggesting both a near-term hike and the potential for a faster pace of tightening, reinforces a picture of improving growth.

## Economic Data

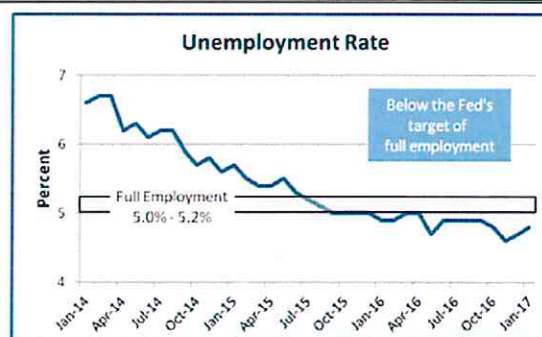
<u>General</u>	<u>Prior</u>	<u>Current</u>
GDP growth	3.5% (Q3)	1.9% (Q4)
Trade balance	-\$45.7B (Nov)	-\$44.3B (Dec)

<u>Employment</u>	<u>Prior</u>	<u>Current</u>
Initial jobless claims	238,000 (2/18)	244,000 (2/25)
Continuing claims	2.1MM (2/11)	2.1MM (2/18)
Change in nonfarm payrolls	157,000 (Dec)	227,000 (Jan)
Unemployment rate	4.7% (Dec)	4.8% (Jan)
Average weekly hours	34.4 (Dec)	34.4 (Jan)

<u>Consumer</u>	<u>Prior</u>	<u>Current</u>
Consumer confidence index (Conf. Board)	111.6 (Jan)	114.8 (Feb)
Retail sales growth (YoY)	4.5% (Dec)	4.9% (Jan)
Change in consumer credit	\$25.2B (Nov)	\$14.2B (Dec)



Data Source: U.S. Bureau of Economic Analysis



Data Source: U.S. Bureau of Labor Statistics



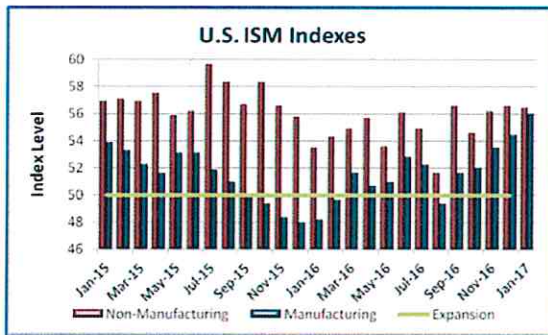
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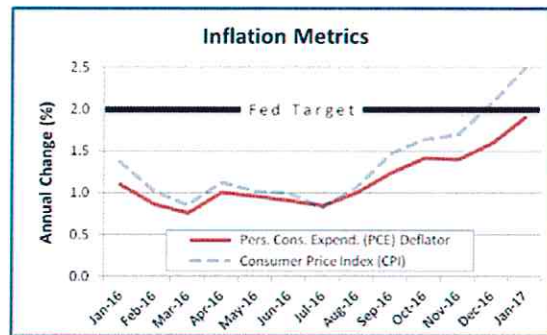
<b>Manufacturing &amp; Service</b>	<b>Prior</b>	<b>Current</b>
ISM manufacturing index	54.5 (Dec)	56.0 (Jan)
ISM non-manufacturing index	56.6 (Dec)	56.5 (Jan)
Durable goods orders growth	-0.8% (Dec)	1.8% (Jan)
Industrial production growth	0.6% (Dec)	-0.3% (Jan)
Capacity utilization	75.6% (Dec)	75.3% (Jan)

<b>Real Estate</b>	<b>Prior</b>	<b>Current</b>
New home sales	535,000 (Dec)	555,000 (Jan)
Existing home sales	5.7MM (Dec)	5.5MM (Jan)
S&P CoreLogic CS home price index (YoY)	5.6% (Nov)	5.9% (Dec)

<b>Inflation</b>	<b>Prior</b>	<b>Current</b>
Consumer price index/Core (YoY growth)	2.1%/2.2% (Dec)	2.5%/2.3% (Jan)
Producer price index/Core (YoY growth)	1.6%/1.6% (Dec)	1.6%/1.2% (Jan)



Data Source: Institute for Supply Management



Data Sources: U.S. Bureaus of Labor Stats. & Econ. Analysis

### Market Returns

	<b>Feb 2017</b>	<b>YTD 2017</b>
<b>Fixed Income</b>		
Barclays Aggregate Bond	0.7%	0.9%
Barclays Municipal Bond	0.7%	1.4%
Barclays Gbl Agg. ex. U.S.	0.3%	2.2%
<b>Alternatives</b>		
Bloomberg Commodity	0.2%	0.3%
DJ US Real Estate	4.4%	4.6%

Data Source: Morningstar

	<b>Feb 2017</b>	<b>YTD 2017</b>
<b>Domestic Equities</b>		
Wilshire 5000	3.7%	5.6%
S&P 500	4.0%	5.9%
Russell 2000	1.9%	2.3%
<b>International Equities</b>		
MSCI EAFE (Developed)	1.4%	4.4%
MSCI EM (Emerging)	3.1%	8.7%

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