

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

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

**SUMMIT FINANCIAL RESOURCES, INC.**

**Investment Newsletter May 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  
May 2017

By Noreen Johnston, CFA (Director of Research)  
And Daniel Cohen, CFA (Investment Analyst)

## Monthly Summary

International equities dominated investment results in May. Improving economies, stronger currencies and asset flows into global equity funds propelled prices upward. While most U.S. stocks gained ground, a small group of large growth companies, many in the technology sector, has been surging. Small cap stocks were laggards, one of the few investment sectors to decline for the month. Supply concerns and large inventories continued to weigh on energy prices and energy stocks also fell despite a robust earnings season. Bond investors seemed sanguine and most major bond sectors were positive for the month. Interest rates and inflation expectations fell, favoring long-term bonds. Municipal bonds did well after a rebound in investor demand and a slowdown in new issuance. Investment grade bonds outperformed high yield.

Although market volatility is historically low, political drama and mixed economic reports did at times fuel risk-averse behavior. Manufacturing and services are in growth mode globally. First quarter U.S. GDP growth was revised higher on better than expected consumer spending. Wages are rising and job openings are at an all-time high. However, payroll growth has slowed and the total labor force has stagnated. Home sales experienced an unexpected slump, although price gains continued unabated. Consumer and business confidence has declined and lending standards are tighter suggesting that economic sentiment is moderating.

## Economic Data

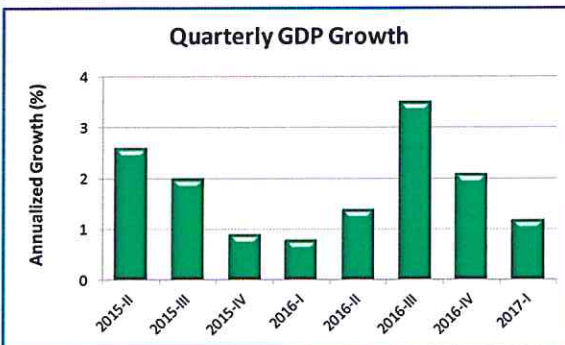
<u>General</u>	<u>Prior</u>	<u>Current</u>
GDP growth	2.1% (Q4)	1.2% (Q1)
Trade balance	-\$43.8B (Feb)	-\$43.7B (Mar)

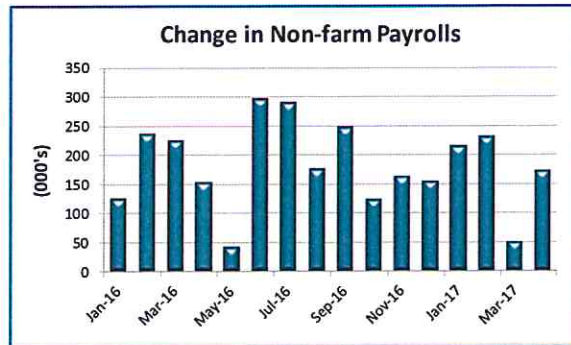
<u>Employment</u>	<u>Prior</u>	<u>Current</u>
Initial jobless claims	233,000 (5/13)	234,000 (5/20)
Continuing claims	1.9MM (5/06)	1.9MM (5/13)
Change in nonfarm payrolls	50,000 (Mar)	174,000 (Apr)
Unemployment rate	4.5% (Mar)	4.4% (Apr)
Average weekly hours	34.3 (Mar)	34.4 (Apr)

<u>Consumer</u>	<u>Prior</u>	<u>Current</u>
Consumer confidence index (Conf. Board)	119.4 (Apr)	117.9 (May)
Retail sales growth	0.1% (Mar)	0.4% (Apr)
Change in consumer credit	\$13.7B (Feb)	\$16.4B (Mar)



Data Source: U.S. Bureau of Economic Analysis



Data Source: U.S. Bureau of Labor Statistics



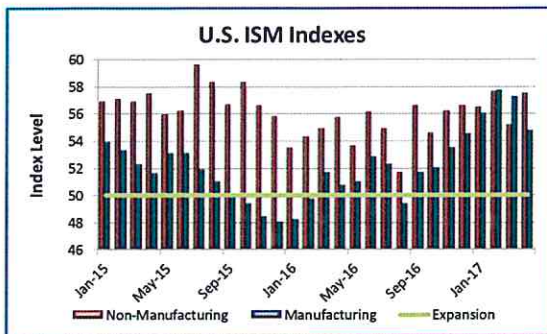
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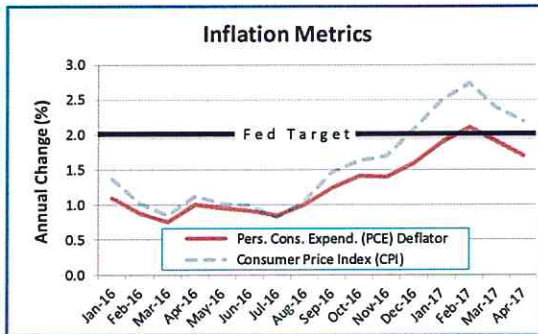
<b>Manufacturing &amp; Service</b>	<b>Prior</b>	<b>Current</b>
ISM manufacturing index	57.2 (Mar)	54.8 (Apr)
ISM non-manufacturing index	55.2 (Mar)	57.5 (Apr)
Durable goods orders growth	2.3% (Mar)	-0.7% (Apr)
Industrial production growth	0.4% (Mar)	1.0% (Apr)
Capacity utilization	76.1% (Mar)	76.7% (Apr)

<b>Real Estate</b>	<b>Prior</b>	<b>Current</b>
New home sales	642,000 (Mar)	569,000 (Apr)
Existing home sales	5.7MM (Mar)	5.6MM (Apr)
S&P CoreLogic CS home price index (YoY)	5.7% (Feb)	5.8% (Mar)

<b>Inflation</b>	<b>Prior</b>	<b>Current</b>
Consumer price index/Core (YoY growth)	2.4%/2.0% (Mar)	2.2%/1.9% (Apr)
Producer price index/Core (YoY growth)	2.3%/1.7% (Mar)	2.5%/2.1% (Apr)



Data Source: Institute for Supply Management



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

### Market Returns

	<b>May 2017</b>	<b>YTD 2017</b>
<b>Fixed Income</b>		
BBgBarc Aggregate Bond	0.8	2.4
BBgBarc Municipal Bond	1.6	3.9
BBgBarc Gbl Agg. ex. U.S.	2.2	6.2
<b>Alternatives</b>		
Bloomberg Commodity	-1.3	-5.1
DJ U.S. Real Estate	0.0	3.8

Data Source: Morningstar

	<b>May 2017</b>	<b>YTD 2017</b>
<b>Domestic Equities</b>		
Wilshire 5000	1.0	7.8
S&P 500	1.4	8.7
Russell 2000	-2.0	1.5
<b>International Equities</b>		
MSCI EAFE (Developed)	3.7	14.0
MSCI EM (Emerging)	3.0	17.3

**Disclaimers:** This commentary was written by Noreen Johnston, CFA, Director of Research, and Daniel Cohen, Investment Analyst at Summit Equities, Inc. and Summit Financial Resources, Inc. Source of performance: Morningstar®. Indices are unmanaged and cannot be invested into directly. The investment and market data in this newsletter is not an offer to sell or purchase any security or commodity. Past performance does not guarantee future results. The *Bloomberg Barclays U.S. Aggregate Bond Index* is a market capitalization-weighted index comprising Treasury securities, Government agency bonds, mortgage backed bonds, corporate bonds, and some foreign bonds traded in the U.S. The *Bloomberg Barclays Municipal Bond Index* covers the U.S. dollar-denominated long-term tax-exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The *Bloomberg Barclays Global Aggregate Ex U.S. Index* measures the performance of global investment grade fixed-rate debt markets that excludes USD-dominated securities. The *Bloomberg Commodity Index* measures the performance of the commodity sector representing an unleveraged, long-only investment in commodity futures that is broadly diversified, and primarily liquidity weighted. The *Dow Jones U.S. Real Estate Index* measures the performance of the real estate sector of the U.S. equity market. It includes companies in the following industries: real estate holding and development and Real Estate Investment Trusts. The *Wilshire 5000 Total Market Index* measures the performance of all U.S. headquartered equities with readily available price data. It is market capitalization-weighted and is designed to track the overall performance of the U.S. stock market. The *S&P 500 Index* is a market capitalization-weighted index of 500 widely held stocks often used as a proxy for the stock market. It measures the movement of the largest issues. Standard and Poor's chooses the member companies for the 500 based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. The *Russell 2000 Index* measures the performance of the small cap segment of the U.S. equity universe. The *Russell 2000 Index* is a subset of the *Russell 3000 Index* representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The *MSCI EAFE Index* (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. and Canada. The *MSCI Emerging Markets Index* is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. Information throughout this Newsletter or any other statement(s) regarding markets or other financial information are obtained from sources which we and our suppliers believe to be reliable, but we do not warrant or guarantee the timeliness or accuracy of this information. Neither we nor our information providers shall be liable for any errors or inaccuracies, regardless of cause, or the lack of timeliness of, or for any delay or interruption in the transmission thereof to the reader. To unsubscribe from this investment newsletter please reply to this email with "unsubscribe" in the subject. Opinions expressed are subject to change without notice and are not intended to be investment advice or a guarantee of future performance. Consult your financial professional before making any investment decision. Securities and Investment Advisory Services offered through Summit Equities, Inc. Member FINRA/SIPC, and Financial Planning Services offered through Summit Equities, Inc.'s affiliate Summit Financial Resources, Inc. 4 Campus Drive, Parsippany, NJ 07054. Tel. 973-285-3600, Fax: 973-285-3666.

