

Hint of Upcoming “Phenomenal” Tax Announcement Sends Indexes to New All-Time Highs This Week

Weekly Market Summary

Fiscal and monetary policy, as well as employment data, guided the market this week. Comments from President Donald Trump promising the release of a “phenomenal” tax announcement in the next “two or three weeks” sent shares soaring to new all-time highs on Thursday and carried over to Friday. In addition, St. Louis Fed President James Bullard eased concerns about pending interest rate increases while Chicago Fed President Charles Evans spoke in favor of gradual interest rate hikes. Lastly, the market responded favorably to a surprise decline in weekly jobless claims, with just 234,000 people filing for unemployment benefits last week, compared to estimates of 250,000, according to Schaeffer’s Investment Research.

The Dow Jones Industrial Average (**DJIA**) ended the week at a new all-time high close. For the week, the blue-chip index gained 1% and closed at 20,269.37. We still need to see if the 20,000 level can be relied upon for support. Below that is the 50-day moving average, which is currently at 19,834.67.

The S&P 500 Index (**SPX**) also registered a new all-time high close on Friday after adding 0.8% for the week to 2,316.10. The large-cap index once again broke out of the trading range in which it had been moving for the last several weeks and we wait to see if support develops around 2,300, the former upper range of the trading channel. If not, then we look at the 50-day moving average (2,264.85) as well as the 2,250 level for support.

This week all but one of the 10 S&P Sector SPDRs posted gains. Energy (**XLE**) was the sole loser, ticking downward 0.2% on expectations for further growth in U.S. crude production, which would boost supply. Industrials (**XLI**) posted the biggest gain for the week, up 1.7%, followed by Consumer Discretionary (**XLY**) with its 1.5% gain. The Technology (**XLK**) sector added 1.2% for the week.

The broad market Wilshire 5000 (**W5000**) index climbed 0.8% this week to 24,248.91, marking yet another all-time high close. We are still waiting to see if round-number support develops at 24,000. Below that, the 23,600 to 23,700 range may offer support moving forward, as well as the 50-day moving average at 23,695.12.

The tech-heavy Nasdaq Composite (**COMP**) finished the week up 1.2% to 5,734.13, a new all-time-high-close. We will wait to see if round-number support materializes at 5,700. Just below that is the

5,675 to 5,700 range that had served as the upper range of the previous trading channel.

The Russell 2000 (**RUT**) index of smaller stocks added 0.8% this week to close at 1,388.84, also a new all-time high close. We are anxious to see if the index can stay above its trading range of the last several weeks. If so, support could develop around the 1,380 to 1,385 range. The index continued to flirt with its 50-day moving average this week and actually closed below it on Wednesday before moving back above it on Thursday and gapping upward on Friday. The average stands at 1,363.66 and we look at it for support as well.

The CBOE Volatility Index (**VIX**) dipped 1.1% this week to 10.85.

Computerized Investing Market Dashboard Indicators

This week, one of the Market Dashboard indicators triggered a new bullish signal, switching from bearish, while another triggered a new neutral signal, switching from bearish. However, none of the Dashboard indicators triggered bullish or bearish confirming signals this week.

To see the current signals of all the dashboard indicators, visit the **CI Market Dashboard**.

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