

THE WEEK IN REVIEW

The U.S. stock market began the first week of December on a gloomy note following weak manufacturing sector data and the reinstatement of U.S. tariffs on steel and aluminum imports from Argentina and Brazil. The S&P 500 Index declined 1.5% during the first two days of the week before rallying 1.7% Wednesday through Friday on signs of improvement in the U.S.-China "phase one" trade negotiations and a significantly stronger-than-expected November payrolls report.

In commodity market news, U.S. crude oil prices rallied 7.1% following reports from OPEC's meeting in Vienna of additional cuts in the aggregate amount of oil produced by its member nations. On Thursday, Saudi Aramco, the oil giant owned and operated by Saudi Arabia, filed the largest initial public offering in history. Higher oil prices helped the S&P 500 energy sector post a weekly return of 1.5%, the best weekly performance across the index's major sectors. Industrials were the worst performing S&P 500 sector this week, as most aerospace-related stocks were weighed down by reports of further expected delays on a return to service for Boeing's beleaguered 737 MAX commercial airliners.

In advance of the Federal Reserve's policy-setting meeting next week, the U.S. Labor Department released November data on the jobs market today. Economists surveyed had originally forecast a gain of 187,000 new nonfarm payroll jobs, a 3.6% unemployment rate and 3.0% annualized growth in wages. Overall, the report detailed that employers added 266,000 jobs in November, beating the consensus estimate. The unemployment rate matched a 50-year low of 3.5%, driven primarily by a decline in the labor force participation to 63.2% for the month. Meanwhile, average hourly wages rose by 3.1% over the past 12 months.

In addition, the Bureau of Labor Statistics revised previous jobs numbers from September and October upwards by 41,000. After revisions, job gains have averaged 205,000 over the last three months. On a sector level, payroll increases were spread across the healthcare, leisure and hospitality, and professional/business services sectors. The end of the recent General Motors (GM) strike also boosted employment in the automotive industry. However, noticeable soft spots include the construction sector (which added 1,000 jobs) and retail sector (which added 2,000 jobs).

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
ISM Non-Manufacturing	48.1	49.1	▼
ISM Manufacturing	53.9	56.4	▼
U. of Mich. Consumer Sentiment	99.2	93.2	▲
Non-Farm Payrolls	266,000	219,000	▲

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	28015.06	-0.13%	20.09%	12.30%
NASDAQ	8656.53	-0.10%	30.46%	20.43%
S&P 500	3145.91	0.16%	25.49%	16.69%
MSCI EAFE	1969.77	-0.24%	14.53%	12.02%
Bbg Barclays Aggregate US	2225.22	-0.06%	8.73%	9.99%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	1.51%	1.54%	2.40%
10-Year Treasury	1.84%	1.83%	2.90%

REPORTS DUE NEXT WEEK	LATEST
Consumer Price Index (YoY)	1.8%
Initial Jobless Claims (Thousands)	203
NFIB Small Business Optimism	102.4
Retail Sales (YoY)	3.1%

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.