



Parkhurst Financial Services  
Investment Strategies

## **Market and Economic Update:**

**The U.S. stock market rose again in the third quarter**

**of 2017, and the S&P 500 and Dow Jones have now logged their eighth consecutive quarterly advance.**

**Corporate earnings remain strong and renewed expectations that the Federal Reserve will continue to raise interest rates are helping bank stocks rise. There is also hope that if a tax reform plan is able to pass in some form, it could improve corporate earnings even further. The U.S. dollar is rebounding some after falling most of 2017. (1)**

**Valuations of U.S. stocks as measured by forward Price/Earnings (P/E) ratios of the S&P 500 index are elevated from the 25 year average, but are nowhere near the levels seen prior to the March 2000 bursting of the technology bubble. (2) By contrast, international stocks as measured by the P/E ratios of the MSCI All Country World Index are actually below their 20 year average. Thus, despite the very positive returns in international and emerging market asset classes so far in 2017, there could be further room to move upward. (3)**

**We are now in the eighth year of economic expansion with year over year Gross Domestic Product Growth of 2.1%. (4) It's possible we'll get continued growth in the 4<sup>th</sup> quarter helped by reconstruction activity needed to rebuild after the terrible hurricanes**

**that have hit Texas, Florida and Puerto Rico. The Global economy has continued to rise and weâ€™ve seen the manufacturing sector growing throughout 2017. (5)**

**Client Event:**

**We want to thank all who were able to attend or listen live to our October 10<sup>th</sup> client event. We appreciate SEI, JP Morgan and Russell Investments flying in to speak at our event. The feedback was very positive on the round-table and discussion format. If anyone that couldnâ€™t attend would like a copy of the materials covered please call the office and we can email them out to you.**

**Office Update:**

**Please note that our office will be closed Thursday November 23<sup>rd</sup> and Friday November 24<sup>th</sup> in observance of Thanksgiving.**

1. Otani, Akane, â€œStocks, Dollar Regain Edgeâ€ Wall Street Journal, Saturday/Sunday September 30<sup>th</sup>- October 1<sup>st</sup>, 2017
2. JP Morgan Guide to the Markets, U.S. 3Q 2017- Page 4 and 5
3. JP Morgan Guide to the Markets, U.S. 3Q 2017- Page 42
4. JP Morgan Guide to the Markets, U.S. 3Q 2017- Pages 17 and 18
5. JP Morgan Guide to the Markets, U.S. 3Q 2017- Page 44



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