

WEEKLY ECONOMIC UPDATE

June 26, 2017

WEEKLY QUOTE

“He that will not sail until all dangers are over, will never put to sea.”

- Thomas Fuller

WEEKLY TIP

If you are divorcing, make the effort to collect, sort, and catalogue as many financial documents as you can find. As you move further into divorce proceedings, these records may become crucially important.

WEEKLY RIDDLE

Tom tells Phillip that a faded, worn ten-dollar bill is worth more than a newer one. In what way is he correct?

Last week's riddle:

What are you able to keep after you give it to someone?

Last week's answer:

Your word.

MORE HOMES MOVED IN MAY

In a pleasant surprise for economists, both new and existing home sales picked up last month. The National Association of Realtors announced a 1.1% gain for resales, with the average house for sale spending only 27 days on the market. New home buying increased 2.9% in May, resulting in an annualized gain of 8.9%. The average sale price for a new home was \$406,400, a record.¹

LEADING INDICATORS IMPROVE

The Conference Board's Leading Economic Index rose 0.3% for May, following gains of 0.2% for April and 0.4% for March. Most of the index's components were positive for May and a steepening interest rate spread, a climb for the Institute for Supply Management's new orders index, and greater consumer optimism about business and economic conditions were major factors. The LEI was up 3.5% year-over-year through May.²

CRUDE IS ON ITS LONGEST LOSING STREAK IN 2 YEARS

WTI crude settled at \$43.01 at Friday's closing bell, down 4.4% from the end of last week. This decline marked the fifth straight weekly retreat for oil; an 8-week losing streak ended in August 2015. Oil is now in a bear market.³

STOCKS ADVANCE

All three of the major U.S. equity indices had made 5-day gains by the time trading wrapped up on Friday. The Dow Jones Industrial Average had added just 0.05%, advancing to 21,394.76, and the S&P 500 had improved 0.21% to 2,438.30. In contrast, the Nasdaq Composite rose 1.84% to 6,265.25. Even after this last sideways week, the Dow 30 ended Friday's session up 1.49% month-over-month.⁴

THIS WEEK: On Monday, the Census Bureau shares data on May hard goods orders. Tuesday sees the release of the latest consumer confidence index from the Conference Board, plus earnings reports from Darden Restaurants and KB Home. Wednesday, the NAR puts out its May pending home sales report, and Franklin Covey, General Mills, Monsanto, Paychex, and Pier 1 announce earnings. The third estimate of Q1 GDP appears Thursday along with a new initial unemployment claims report and earnings announcements from ConAgra Brands, Constellation Brands, Micron Technology, Nike, and Walgreens Boots Alliance. The final June University of Michigan consumer sentiment index, May consumer spending figures, and the May PCE price index arrive on Friday.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+8.26	+18.79	+13.85	+6.01
NASDAQ	+16.39	+27.60	+23.32	+14.20
S&P 500	+8.91	+15.38	+16.53	+6.22
REAL YIELD	6/23 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.45%	0.24%	-0.42%	2.70%

Sources: wsj.com, bigcharts.com, treasury.gov - 6/23/17^{4,5,6,7}

Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends. 10-year TIPS real yield = projected return at maturity given expected inflation.

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Citations.

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