



Frank DeMaio Presents:

# WEEKLY ECONOMIC UPDATE

May 7, 2018

## WEEKLY QUOTE

“Humor is also a way of saying something serious.”

- T.S. Eliot

## WEEKLY TIP

Remember that there are two kinds of 529 plans: the prepaid tuition plan and the college savings plan. A prepaid tuition plan lets you pay some of the future cost of a university education today. A college savings plan offers you a choice of equity investments for your savings and has variable returns.

## WEEKLY RIDDLE

I went into the woods and got it. I brought it home in my hand and removed it. What am I talking about?

### Last week's riddle:

It can be high or low; it may run between your toes. It relates to the sun and the sky, and it may make things fall and rise. What is it?

### Last week's answer:

The tide.

## JOBLESS RATE HITS 18-YEAR LOW

Unemployment fell to 3.9% in April, the Department of Labor said Friday – the smallest percentage seen since late 2000. Additionally, the U-6 underemployment rate declined to 7.8%, a 17-year low. Payrolls expanded with 164,000 net new jobs last month; the economy has created an average of 200,000 jobs a month so far in 2018, compared to 177,000 a month in 2017.<sup>1</sup>

## PERSONAL SPENDING IMPROVES 0.4%

The March gain reported by the Bureau of Economic Analysis was the best since the 0.5% advance in December. Personal wages increased 0.3% for March, replicating the gain from February.<sup>2</sup>

## ISM INDICES RETREAT

Purchasing manager indices at the Arizona-based Institute for Supply Management showed the factory and service sectors of the economy cooling down in April from a red-hot degree of expansion. ISM's manufacturing PMI fell 2.0 points to 57.3, and its non-manufacturing PMI dropped by the same amount to 56.8.<sup>3</sup>

## NASDAQ RISES; DOW, S&P FALL SLIGHTLY

All three major Wall Street indices rallied on Friday, but only the Nasdaq Composite ended up higher on the week. Across five trading sessions, the tech-heavy benchmark gained 1.26% to 7,209.62. The S&P 500 declined 0.24% for the week to 2,663.42, while the Dow Jones Industrial Average lost 0.20% to settle at 24,262.51.<sup>4</sup>

**THIS WEEK:** AMC Entertainment, Andeavor, Hertz Global Holdings, Invacare, Sempra Energy, Sysco, and Tyson Foods announce earnings Monday. Before Tuesday's open, Federal Reserve chair Jerome Powell comments on monetary policy in Switzerland; after the open, Wall Street considers earnings calls from Aramark, Dean Foods, Discovery, DISH Network, Electronic Arts, Etsy, La Quinta Holdings, Marriott, Monster, Papa John's, Planet Fitness, TripAdvisor, U.S. Auto Parts, Valeant, Walt Disney Co., Wendy's, and William Lyon Homes. April's Producer Price Index arrives Wednesday, plus earnings from Anheuser-Busch, Coty, Green Dot, Groupon, Horizon Pharma, Hostess, Office Depot, Roku, Siemens AG, Spectra Energy Partners, Sunoco, 21st Century Fox, and Weibo. Thursday, the April Consumer Price Index and new initial claims figure complement earnings from AMC Networks, Duke Energy, News Corp., Nvidia, Symantec, TiVo, and Yelp. On Friday, the University of Michigan unveils its preliminary May consumer sentiment index, and ArcelorMittal and Thomson Reuters make earnings news.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-1.85	+15.80	+12.41	+8.71
NASDAQ	+4.44	+18.67	+22.68	+19.26
S&P 500	-0.38	+11.46	+13.00	+8.92
REAL YIELD	5/4 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.79%	0.50%	-0.53%	1.53%

Sources: wsj.com, bigcharts.com, treasury.gov - 5/4/18<sup>4,5,6,7</sup>

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.

**Please feel free to forward this article to family, friends or colleagues.  
If you would like us to add them to our distribution list, please reply with their address.  
We will contact them first and request their permission to add them to our list.**

*Frank DeMaio, CPF®, CFA is a Registered Principal Offering Securities through UNITED PLANNERS' FINANCIAL SERVICES OF AMERICA. A Limited Partnership. Member: FINRA, SIPC. JTD Financial Services and United Planners' are not affiliated. Frank may be reached at 603-641-1010 or [fdemaio@jtdfinancial.com](mailto:fdemaio@jtdfinancial.com).*

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. The information herein has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All market indices discussed are unmanaged and are not illustrative of any particular investment. Indices do not incur management fees, costs and expenses, and cannot be invested into directly. All economic and performance data is historical and not indicative of future results. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is a market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor's 500 (S&P 500) is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®, and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions - the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. MarketingPro, Inc. is not affiliated with any person or firm that may be providing this information to you. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional.

## Citations.

- 1 - [jamiedupree.blog.ajc.com/2018/05/04/nations-jobless-rate-drops-under-4-percent-for-first-time-since-2000/](http://jamiedupree.blog.ajc.com/2018/05/04/nations-jobless-rate-drops-under-4-percent-for-first-time-since-2000/) [5/4/18]
- 2 - [tradingeconomics.com/united-states/personal-spending](http://tradingeconomics.com/united-states/personal-spending) [5/4/18]
- 3 - [instituteforsupplymanagement.org/ISMReport/NonMfgROB.cfm?SSO=1](http://instituteforsupplymanagement.org/ISMReport/NonMfgROB.cfm?SSO=1) [5/4/18]
- 4 - [markets.wsj.com/us](http://markets.wsj.com/us) [5/4/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F4%2F17&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F4%2F17&x=0&y=0) [5/4/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F4%2F17&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F4%2F17&x=0&y=0) [5/4/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F4%2F17&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F4%2F17&x=0&y=0) [5/4/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F3%2F13&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F3%2F13&x=0&y=0) [5/4/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F3%2F13&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F3%2F13&x=0&y=0) [5/4/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F3%2F13&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F3%2F13&x=0&y=0) [5/4/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F5%2F08&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F5%2F08&x=0&y=0) [5/4/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F5%2F08&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F5%2F08&x=0&y=0) [5/4/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F5%2F08&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F5%2F08&x=0&y=0) [5/4/18]
- 6 - [treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield](http://treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield) [5/4/18]
- 7 - [treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll](http://treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll) [5/4/18]