

In this week's recap: households buy more but feel less upbeat about the near future, the Dow rises, and homebuilders start more projects.

Weekly Economic Update

Presented by Frank DeMaio, August 20, 2018

MID-SUMMER MEANT BUYING FOR CONSUMERS

According to new Census Bureau data, retail sales were 0.5% improved in July. Core retail sales (all categories except car and truck buying) rose 0.6% last month. The only sour note was the revision the Bureau made to June's headline and core retail sales advances. The overall June retail sales gain was reduced to 0.2% from 0.5%; the core gain, to 0.2% from 0.4%.^{1,2}

HOUSEHOLD SENTIMENT GAUGE DISAPPOINTS

In its initial August edition, the University of Michigan's index of consumer sentiment fell 2.6 points to 95.3. That was a miss: analysts polled by Briefing.com expected a reading of 97.8. This preliminary August reading was also an 11-month low for the index.^{1,2}

A MINOR JULY GAIN FOR HOUSING STARTS

A new federal government report showed residential construction activity up 0.9% last month. Building permits increased 1.5% after three months of retreats.³

DOW LEADS THE WAY ON WALL STREET

Ascending 1.41% over five market days, the Dow Jones Industrial Average closed Friday's trading session at 25,669.32. The S&P 500 also had a positive week, advancing 0.59% to 2,850.13. The same was not true for the Nasdaq Composite. The tech-heavy benchmark lost 0.29% last week to finish at 7,816.33, Friday. Also notable: gold's weekly loss of 2.9%. A strong dollar has put pressure on the yellow metal of late, and this past week was gold's worst on the COMEX in 15 months.^{2,4}

TIP OF THE WEEK



*Many people plan for retirement without giving much thought to **life expectancy**. What if you **live much longer** than you think you will? As you near retirement, take this possibility into account.*

THIS WEEK

On Monday, Estee Lauder presents second-quarter results. | Tuesday's earnings roll call includes announcements from Coty, Kohl's, La-Z-Boy, Medtronic, J.M. Smucker, and Urban Outfitters. | Analog Devices, Lowe's, Stein Mart, and Target offer earnings on Wednesday; in addition, investors will consider minutes from the most recent Federal Reserve policy meeting and July existing home sales figures. | July new home sales data is out Thursday, plus the latest initial claims report and earnings from Alibaba Group, Gap, Hormel Foods, HP, Intuit, and Toro. | Federal Reserve Chairman Jerome Powell gives a speech on monetary policy Friday morning at the Kansas City Fed's annual Jackson Hole economic policy symposium; away from Jackson Hole, Foot Locker announces quarterly earnings and data on July hard goods orders arrives.

QUOTE OF THE WEEK



"Nature does nothing uselessly."

ARISTOTLE

% CHANGE

Y-T-D

1-YR CHG

5-YR AVG

10-YR AVG

DJIA	3.84	18.02	14.04	12.36
NASDAQ	13.22	25.63	23.39	22.34
S&P 500	6.60	17.30	14.43	12.29

REAL YIELD	8/17 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.79	0.42	0.68	1.67

Sources: wsj.com, bigcharts.com, treasury.gov - 8/17/18^{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.

THE WEEKLY RIDDLE



*What is **ready** when you **add a letter** at its end?*

LAST WEEK'S RIDDLE: A cargo truck hauling a load of lumber can carry 2 tons. It approaches a bridge with a sign, which notes that the bridge can support up to 2 tons of weight. The driver sees the sign and reckons that the bridge should hold up under the weight of the truck. Is the driver right?

ANSWER: No, the driver is wrong. If the truck carries no load, it might make it across. The lumber the truck is carrying, however, will push the weight above 2 tons.

Frank DeMaio may be reached at 603-641-1010 or fdemaio@jtdfinancial.com
www.jtdfinancial.com

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing 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.

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 - briefing.com/investor/calendars/economic/2018/08/13-17 [8/17/18]
- 2 - marketwatch.com/story/weaker-gold-heads-for-3-weekly-drop-2018-08-17 [8/17/18]
- 3 - reuters.com/article/us-usa-economy-housingstarts/us-housing-starts-rise-less-than-expected-in-july-idUSKBN1L11FI [8/16/18]
- 4 - markets.wsj.com/us [8/17/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F17%2F17&x=0&y=0 [8/17/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=8%2F17%2F17&x=0&y=0 [8/17/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=8%2F17%2F17&x=0&y=0 [8/17/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F16%2F13&x=0&y=0 [8/17/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=8%2F16%2F13&x=0&y=0 [8/17/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=8%2F16%2F13&x=0&y=0 [8/17/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F18%2F08&x=0&y=0 [8/17/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=8%2F18%2F08&x=0&y=0 [8/17/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=8%2F18%2F08&x=0&y=0 [8/17/18]
- 6 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [8/17/18]
- 7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [8/17/18]