INCISIVE INVESTOR

Randall Fielder, President & CEO
1400 Broadfield Blvd. Suite 200; Houston, TX 77084
713-955-3555; info@park10financial.com
www.park10financial.com

WEEK IN REVIEW: DOW & DOLLAR CLIMB, GOLD FALLS

Review of the week ended August 4, 2017

- **Gold lower and dollar higher**
- **US nonfarm payrolls rise**
- **Dow sets record on impressive corporate earnings**
- **Trump signs bill sanctioning Russia, Iran and North Korea**
- **US considers trade action against China**

Gold futures settled firmly lower on Friday as the dollar jumped after a key report on payrolls in July showed stronger-than-expected job creation. The U.S. labor market added an impressive 209,000 new jobs in July, more than most economists were banking on. The unemployment rate fell back to a 16-year low of 4.3%. The data rallied stocks and the dollar index, dulling demand for gold, which tends to move inversely to the greenback. December gold fell $9.80, or 0.8%, at $1,264.60 an ounce. The contract had been flat ahead of the labor-market report. Gold has retreated since it settled on Tuesday at $1,279.40—its highest level since June 8. It ended the week down 0.4%, according to FactSet data.

The ICE U.S. Dollar Index jumped on the back of the better-than-expected employment data, up 0.8% and in line for its best daily rise since January.

U.S. stocks closed higher on Friday, with the Dow ending at a record for an eighth straight session gaining 0.3%, to 22,092.81, finishing at its highs of the session, which also represented an intraday record. The blue-chip average has risen for a nine straight trading days, its longest such streak since February. With the day's record, it has now posted 34 record closes thus far this year. The Dow surpassed the 22,000 mark during the week, aided by supportive US economic data. The S&P 500 rose 0.2%, to 2,476.83, while the Nasdaq Composite Index climbed 0.2%, at 6,351.56. West Texas Intermediate crude oil prices broke above the $50-per-barrel barrier at midweek, but eased to end near $49, down slightly from last week's $49.65. The yield on the US 10-year Treasury note slipped three basis points on the week to 2.27%. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (VIX), declined to 9.9 from 11.0 a week ago.

Another solid US employment report

US labor markets remained tight in July, with the unemployment rate slipping to 4.3%, matching a recent 16-year low. The economy added another 209,000 jobs, handily exceeding the 180,000 six-month average. However, despite solid job growth, wages remain restrained, with average hourly earnings holding steady at a 2.5% annual growth rate. The upbeat data should keep the US Federal Reserve on course to begin shrinking its balance sheet in the next few months and for another rate hike before year's end.

Trump reluctantly signs sanctions bill

US president Donald Trump, fearing that a veto would be overridden by Congress, this week signed a sanctions bill that targets Russia’s energy and defense sectors. Trump’s objections to the bill stem from his belief that it encroaches on the executive branch’s authority to negotiate. Reacting to the bill, Russian prime minister Dmitry Medvedev declared that a full-fledged trade war has been declared against Russia. Russia also ejected 755 US diplomats and seized two diplomatic properties. The bill also includes sanctions on North Korea and Iran.

GLOBAL NEWS

US scrutinizes China’s IP practices

The Trump administration is considering taking trade action against China and is discussing launching a probe into Beijing’s insistence that foreign companies transfer technology to local Chinese subsidiaries and partners. The administration could launch a “Section 301” action, which allows the president to impose duties on products from countries that use unfair trade practices. An announcement had been scheduled for Friday, but was canceled by the White House without explanation. Trump also this week linked trade with lack of progress on restricting North Korea's nuclear program, suggesting the potential for trade restrictions with China unless it takes action to restrain its neighbor.

Czech central bank first in Europe to hike rates

While the Bank of England and the European Central Bank have been contemplating shifting to less accommodative monetary policy stances, the Czech central bank took action on Thursday, raising its main policy rate from 0.05% to 0.25%, its first hike since 2008. Rising wages and shrinking economic slack were factors behind the rate boost.

THE WEEK AHEAD

Date	Country/Area	Release/Event
• Tue, Aug 8	China	Trade balance
• Wed. Aug 8	China	Consumer and producer price indices
• Wed, Aug 9	US	Unit labor costs and nonfarm productivity
• Thu, 10 Aug	US	Producer price index
• Fri, 11 Aug	US	Consumer price index

REGRETS COMMONLY EXPERIENCED IN RETIREMENT...AND HOW TO AVOID THEM (PART 1)

Nobody likes to look back on life and feel regret. And with that in mind, here are a few common regrets I hear from retirees. Sharing what other people have regretted may enable us so that we can learn from them and avoid these regrets in our life.

Regret #1: Not including both spouses in the retirement and financial planning process.

This is a biggie. Both spouses must be engaged and “buy in” to the plan. It’s surprising how few people—even those in long-term marriages—have sat down to design their plan together. For those who just started planning together as they neared retirement, many have said they regretted not planning together earlier in their life. This alone is a priceless gift. Start planning now!

Regret #2: Not downsizing sooner. The big house is nice when kids are living at home, but when it's just two people sharing a big space, it can seem empty. When my clients downsize, they often seem "lighter" and freer. With less stuff to manage, they have more time to do the things they want to do instead of handling maintenance and overseeing repairs. Is now a good time to look into downsizing?

Regret #3: Not keeping up with technology. Facebook, texting, Facetime, streaming movies, there are so many ways to communicate with people and amuse ourselves online these days. I sometimes see older people regret that they did not keep up with technology because it's harder for them to communicate with their grandkids. Few young people today spend much time "talking" on their phones. Instead, they're all over social media sites and for older people who are not adept at that, they frequently miss out on keeping up with their grandkids' lives. If you're in this situation, ask your kids or grandkids to give you a lesson in how to use technology to keep up with their lives. And maybe you can "friend" them on Facebook or "Snapchat" with them. You'll be the cool grandparents!

We will share more of these next week. In the meantime, contact me regarding more ways to implement tax-saving strategies:

Randall Fielder
Park 10 Financial
713-955-3555
randall@park10financial.com