

WEEKLY ECONOMIC UPDATE

April 30, 2018

WEEKLY QUOTE

“I never thought a man should make money off his friends.”

- Lloyd Anderson

WEEKLY TIP

Freddie Mac takes weekly surveys of mortgage rates, but the mortgage market is not frozen between those snapshots. Rates fluctuate daily, which makes it essential to compare home loan terms on the same day.

WEEKLY 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 riddle:

It is clear, yet it muddies things. It arrives, but it falls down and quickly runs away. What is it?

Last week's answer:

Rain.

MAIN STREET SUSTAINS ITS OPTIMISM

America's two most respected consumer confidence indices just improved. The University of Michigan's final April household sentiment gauge rose a full point from its initial reading to 98.8 last week, and the Conference Board's index came in at a great 128.7 for April – 1.7 points higher than its March mark.¹

HOW FAST DID THE ECONOMY GROW IN Q1?

According to the Department of Commerce, the annualized pace of growth was 2.3%. That beat the 2.0% consensus forecast from MarketWatch. The Federal Reserve believes the economy will expand 2.7% this year.^{1,2}

SPRING BRINGS THE HOME BUYERS OUT

The National Association of Realtors says that existing home sales rose 1.1% in March; the median sale price was \$250,400, 5.8% higher than last year. Census Bureau data shows a 4.0% advance for new home buying last month.³

A SLIGHT WEEKLY RETREAT FOR EQUITIES

Last week, major U.S. equity indices saw small 5-day declines, as follows: S&P 500, 0.01%, to 2,669.91; Nasdaq, 0.37%, to 7,119.80; Dow, 0.62%, to 24,311.19. The 10-year Treasury yield reached 3.03% Wednesday; it was at 2.96% at Friday's close.^{4,5}

THIS WEEK: March personal spending numbers and earnings news from Akamai, Allergan PLC, CNA Financial, Kemper, Loews, McDonalds, Nutri/System, and Transocean appear Monday. On Tuesday, the Street looks at the April ISM factory PMI and earnings announcements from Aetna, Allstate, Anadarko Petroleum, Apple, Archer Daniels Midland, AutoNation, BP, Brinker International, Cummins, Denny's, Edison International, Genworth Financial, Gilead Sciences, GrubHub, Hanesbrands, Huntsman, Marathon Petroleum, Merck, Mondelez, NCR, Pfizer, Regis Corp., Seagate, Snap, Under Armour, Voya Financial, and Western Union. Wednesday, the Federal Reserve makes a rate decision, ADP issues a new payrolls report, and AIG, AmeriGas, Avis Budget Group, CBRE Group, Clorox, CVS Health, Exelon, Express Scripts, Fitbit, Garmin, Humana, Hyatt Hotels, Kraft Heinz, Logitech, Macerich, MasterCard, MetLife, Molson Coors, Prudential Financial, Smart & Final, Spotify, Tesla, Valvoline, Wyndham Worldwide, and Zynga present earnings. Thursday's earnings roll call features Activision Blizzard, Avon, CBS, Cigna, Fluor, GoPro, Icahn Enterprises, Kellogg's, Live Nation, Motorola Solutions, Pandora, Pinnacle Foods, RE/MAX, Vulcan Materials, and Xerox; also, ISM's March service sector PMI arrives. On Friday, a new Department of Labor jobs report complements earnings from Alibaba Group, Boise Cascade, Celgene, Fred's, and Starwood Properties.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-1.65	+15.87	+13.05	+8.89
NASDAQ	+3.13	+17.70	+23.42	+19.37
S&P 500	-0.14	+11.77	+13.75	+9.12
REAL YIELD	4/27 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.79%	0.39%	-0.68%	1.56%

Sources: wsj.com, bigcharts.com, treasury.gov - 4/27/18^{4,6,7,8}

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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