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WEEK IN REVIEW 3 NEW RECORDS LED BY APPLE

Review of the week ended November 3, 2017

- **Markets set new records**
- **Powell nominated as Fed chair**
- **October US payrolls rebound**
- **GOP unveils tax bill**
- **BOE raises rates for first time since 2007**
- **Fed keeps rates unchanged, December hike foreseen**

U.S. equities finished the week by breaking another set of records on Friday, as all three major benchmarks closed at highs thanks to strong Apple earnings and ISM nonmanufacturing data for October. The Dow was up 0.1% at 23,539, making this its eighth straight weekly gain.

Meanwhile, the S&P 500 rose 0.3% to 2,588, also the eighth positive week in a row. The tech-heavy Nasdaq Composite rose 0.7% to 6,764, marking its sixth consecutive weekly gain. Apple (AAPL) one of Friday's main drivers, rose 2.7% to \$172.60 and zeroed in on a \$900 billion valuation, after beating earnings estimates late Thursday.

Yields on US 10-year Treasury notes edged

lower, trading at 2.34% versus 2.42% a week ago. The price of a barrel of West Texas Intermediate crude oil firmed by around \$2 to \$54.60 this week. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (VIX), declined to 9.50 from 10.8 last week. Gold was down 0.6% at \$1,270 an ounce.

Trump names Powell to replace Yellen

US president Donald Trump nominated Jerome Powell to replace Janet Yellen as Federal Reserve Board chair. Powell has been a member of the Fed Board of Governors since 2012. If confirmed, he is expected to maintain monetary policy continuity while rolling back some post-financial crisis banking reforms.

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US unemployment rate falls to lowest level since 2001

The US economy created 261,000 new jobs in October as the labor market rebounded from disruptions linked to hurricanes Harvey and Irma. The bounce-back was somewhat smaller than economists had forecast, however, falling short of the 310,000 consensus view. The unemployment rate fell to 4.1%, a 16-year low. Average hourly earnings disappointed, coming in unchanged versus the prior month, and rising at a 2.4% rate year over year, down from 2.8% last month.

Republicans flesh out tax bill

Corporate tax cuts make up the centerpiece of the tax reform proposal unveiled this week by Republicans in the US House of Representatives. Among the bill's provisions is one that would permanently lower the corporate tax rate from the current 35% to 20%, though interest deductions for businesses would be limited. The plan retains the top 39.6% income tax rate, but raises the threshold at which the tax would kick in for married filers from \$470,000 to \$1 million a year. Under the proposal, the 40% estate tax would be eliminated in 2024, while the estate tax exemption would immediately double to \$11.2 million per married

couple. Unchanged under the plan would be 401(k) plans, though deductions for state and local income taxes would be eliminated. Property tax deductions would be limited to \$10,000. Some of the themes emphasized in the bill are the elimination of many tax credits, deductions and exclusions, which could simplify the complex tax code somewhat. However, other provisions make it more complex in areas such as the taxation of pass-through businesses.

BOE hikes rates for first time in decade

The Bank of England's Monetary Policy Committee hiked its policy rate from 0.25% to 0.5% this week, the first increase in more than 10 years. The move comes in reaction to a post-Brexit surge in inflation, largely because of weakness in the pound sterling that resulted in rising import prices. The last time the MPC hiked rates was in July 2007.

Fed left policy on hold

The Federal Open Market Committee left rates unchanged at their November meeting but hinted that a rate hike remains likely at its December meeting. The FOMC statement acknowledged that late-summer hurricanes had caused mild economic disruptions but that they were unlikely to persist over the medium term.

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US consumer confidence hits 17-year high

The Conference Board's consumer confidence index rose to the highest levels since December 2000, spurred by surging equity prices and tight labor markets. In

addition, investor confidence reportedly rose this week, with the Investors Intelligence survey hitting a bullish reading of 63.5%, up from 63.2% a week ago. In early September the index stood at an eleven month low of 47.1%.

THE WEEK AHEAD

Date	Country/Area	Release/Event
• Mon, Nov 6	Eurozone, UK	Service sector PMIs, investor confidence index
• Tue, Nov 7	Australia	Reserve Bank of Australia rate-setting meeting
• Tue, Nov 7	Eurozone	Retail sales
• Wed, Nov	China	Trade balance
• Thu, Nov 9	United States	Wholesale inventories
• Fri, Nov 10	United Kingdom	Industrial production, trade balance

8 Reasons You Should Live Beneath Your Means

by *credit.com*

Aug 10, 2016,

Many Americans struggle to make ends meet. This often results in both financial and marital stress for couples. After digging out from under more than \$37,000 in debt, my husband and I changed the way we look at money and now, we live beneath our means. Changing the way that we looked at money was not easy. It was absolutely a challenge. It also did not happen overnight. When we were digging out from under our debt, we had one income (until I started bringing in a little from my website). This evaluate what was important and what was not. Part of our process was learning how

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taught us that we had to change the way we were spending our money and really evaluate what was important and what was not. Part of our process was learning how to live on less than we made. Doing this has allowed us to get out from under that mountain of debt and build our emergency fund to a level which makes us both comfortable. Here are reasons you should do the same.

Here are reasons you should do the same:

1. Teaching Your Children

Kids learn by example. When they see Mom and Dad being wise with money, they pick up on that. In fact, my kids all know about how we use cash and not plastic at the store. They are learning to watch prices and know that we always shop with a budget in mind. They also know that we save money out of each paycheck. While they do not know the amount, they know the importance of saving money.

2. Reaching Your Goals

Perhaps you want to go on a dream vacation. Maybe you want to get a newer car. Whatever your dream, you can use the money you save toward reaching it.

3. Being Content with What You Have

Learning that more is just more and does not lead to happiness is a lesson all of us need to follow. Knowing that you can be happy with what you have allows you to feel content.

4. Being Able to Give Generously

I am believer in the philosophy that you reap what you sow. That is true with the way we give unto others. We can help those in need and find that when we do, we are rewarded 10-fold through other blessings.

5. Building Confidence

I remember the days of dreading looking at the finances. Fortunately, those days are behind me. I actually feel good about our budget and seeing us working to reach our goals. When you are in control of your finances and know that you can pay your monthly bills, you feel confidence in your success.

6. Building Your Emergency Fund

If you don't have one yet, you need one. What happens when the air conditioner decides to stop running? Or, how will you pay the deductible for your vehicle when you get

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rear-ended at the stop light? This is why you need an emergency fund.

7. Saving For Your Future

It is important to get started on both your own retirement savings account and also your children's college funds. Those events will be here before you realize it.

8. Reducing Stress

Without financial burdens weighing you down, you instantly reduce the stress in your life. If something comes up, there are funds available to cover your expenses. No lying awake at night wondering how you will have to put food on the table.

Living beneath your means puts you on the path of financial independence. However, you need to make the initial decision to make the necessary changes needed, in order to make it a reality.

Editor's note: [Park 10 Financial, LLC is a registered investment adviser.](#)



I will be glad to show you how I have helped many other area residents plan for a more secure future for themselves and their heirs. Have you done enough to determine that your investments allocated properly for you goals, dreams, and legacy? Call today to schedule your personal appointment date and time.

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