

WEEKLY ECONOMIC UPDATE

April 23, 2018

WEEKLY QUOTE

“Don’t bother just to be better than your contemporaries or predecessors. Try to be better than yourself.”

- William Faulkner

WEEKLY TIP

If you are a single parent, prioritize saving for retirement over paying college tuition. Helping your child with college costs is great, but not if it places your retirement at risk.

WEEKLY RIDDLE

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

Last week’s riddle:

The oldest of two sisters is 4 years old. The little sister is half her age. When the big sister is 100, how old will the little sister be?

Last week’s answer:

98 years old.

CONSUMERS BOUGHT MORE IN MARCH

According to a report from the Department of Commerce, retail sales jumped 0.6% last month. That was the biggest monthly gain recorded since November (and the first monthly advance of 2018). Sales of cars and trucks were up 2.0%, making March the best month for that category since September.¹

CONSTRUCTION ACTIVITY INCREASES

New Census Bureau data shows housing starts improved 1.9% in March; also, building permits rose 2.5%. In February, permits fell 4.1% and starts declined 3.3%.²

INDUSTRIAL OUTPUT RISES 0.5%

This March gain reported by the Federal Reserve followed a (revised) 1.0% advance for February. Industrial production was up 4.3% year-over-year through March.²

GAINS ON WALL STREET

All three key U.S. equity indices advanced last week: the Nasdaq Composite rose 0.56%; the S&P 500, 0.52%; the Dow Industrials, 0.42%. Friday’s settlements: Nasdaq, 7146.13; S&P, 2,670.14; Dow, 24,462.94. The yield on the 10-year note hit 2.96% Friday, a high unmatched since January 2014.^{3,4}

THIS WEEK: Alaska Air, Alphabet, Ameriprise Financial, Halliburton, Hasbro, Kimberly-Clark, TD Ameritrade, and Whirlpool announce earnings on Monday, when investors will also eye the latest existing home sales numbers. March new home sales figures and a new Conference Board consumer confidence index are out Tuesday, plus earnings news from 3M, Biogen, Capital One, Caterpillar, Chubb, Coca-Cola, Corning, Eli Lilly, Fifth Third, Freeport-McMoRan, JetBlue, Lockheed Martin, NextEra Energy, Pulte Group, Ryder, Texas Instruments, Travelers, and Verizon. On Wednesday, Aflac, Anthem, AT&T, Boeing, Chipotle, Comcast, eBay, Facebook, Ford Motor Co., Goodyear, Ingersoll-Rand, Kaiser Aluminum, Norfolk Southern, Northrop Grumman, Owens Corning, PayPal, Peabody Energy, Penske, Public Storage, Qualcomm, Raymond James, Rockwell Automation, Twitter, Universal Health Services, Viacom, Visa, and W.R. Grace report results. Thursday, earnings emerge from Ally, Altria, Amazon, Amgen, Bristol-Myers, ConocoPhillips, D.R. Horton, Discover, Domino’s, Dunkin’ Brands, Expedia, Fiat Chrysler, General Motors, Hilton Worldwide, Intel, MGM Resorts, Microsoft, Nokia, PepsiCo, Raytheon, Royal Dutch Shell, SkyWest, Southwest Airlines, Spirit Airlines, Starbucks, Time Warner, Union Pacific, and Western Digital. Friday, earnings from Chevron, Colgate-Palmolive, ExxonMobil, Honda, Philips 66, Spectrum, and Weyerhaeuser coincide with the University of Michigan’s final April consumer sentiment index and the first estimate of Q1 GDP.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-1.04	+18.87	+13.63	+9.07
NASDAQ	+3.52	+20.78	+24.58	+19.68
S&P 500	-0.13	+13.34	+14.34	+9.23
REAL YIELD	4/20 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.79%	0.39%	-0.59%	1.44%

Sources: wsj.com, bigcharts.com, treasury.gov - 4/20/18^{3,5,6,7}

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.

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