

WEEKLY ECONOMIC UPDATE

January 15, 2018

WEEKLY QUOTE

“Always do right.
This will gratify some
people and astonish
the rest.”

- Mark Twain

WEEKLY TIP

If your business is
growing, make sure
that its outstanding
invoices do not grow
in proportion to its
expansion. Keep rein
over your accounts
receivable.

WEEKLY RIDDLE

You will never see it.
It brings you down,
but never up. What is
it?

Last week's riddle:

The more of them you
add, the less something
will weigh. What are
they?

Last week's answer:

Holes.

RETAIL SALES ROSE IN DECEMBER

Consumers spent freely during the holidays: the latest Census Bureau report shows a nice advance for retail purchases. They improved 0.4% last month, with core retail sales up by the same amount.¹

PRODUCER PRICES UNEXPECTEDLY RETREAT

In December, wholesale inflation declined for the first time in 18 months. Even with that 0.1% dip, the Producer Price Index advanced 2.6% for 2017, compared with 1.7% in 2016. Households contended with 2.1% inflation during 2017 according to the Consumer Price Index, which ticked up 0.1% last month. Core consumer prices rose 0.3% in December, so the 2017 core CPI gain was 1.8%.^{1,2}

OIL CLIMBS AGAIN

Last week, prices benefited from reduced reserves and extensions of U.S. sanctions relief against Iran. West Texas Intermediate crude settled at \$64.30 Friday on the NYMEX, advancing 4.7% across five trading days. That was its highest price since December 2014.³

ANOTHER SOLID WEEK FOR EQUITIES

Bulls still far outnumber bears on Wall Street, as last week's major index performances show. For the week, the Dow Jones Industrial Average rose 2.01% to 25,803.19; the Nasdaq Composite, 1.74% to 7,261.06; the S&P 500, 1.57% to 2,786.24. The last five market days also brought a 2.05% gain for the Russell 2000. The PHLX Oil Service index ended the week up 23.24% month-over-month.⁴

THIS WEEK: U.S. financial markets are mostly closed on Martin Luther King Jr. Day (futures do trade on Monday morning). Citigroup, Comerica, CSX, and UnitedHealth Group release earnings on Tuesday. Wednesday's earnings announcements include news from Alcoa, Bank of America, Fastenal, Goldman Sachs, and U.S. Bancorp; in addition, the Federal Reserve offers a new Beige Book. On Thursday, American Express, BoNY Mellon, BB&T, J.B. Hunt, IBM, KeyCorp, and Morgan Stanley announce earnings; investors will consider new initial claims data and a report on December construction activity as well. Friday, Regions Financial, Schlumberger, and SunTrust Bank report earnings, and the preliminary January consumer sentiment index from the University of Michigan appears.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+4.39	+29.72	+18.26	+10.47
NASDAQ	+5.18	+30.89	+26.46	+19.76
S&P 500	+4.21	+22.72	+17.86	+9.89
REAL YIELD	1/12 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.54%	0.38%	-0.63%	1.56%

Sources: wsj.com, bigcharts.com, treasury.gov - 1/12/18^{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.

**Please feel free to forward this article to family, friends or colleagues.
If you would like us to add them to our distribution list, please reply with their address.
We will contact them first and request their permission to add them to our list.**

Securities offered through SA Stone Wealth Management Inc. Member [FINRA/SIPC](#). Advisory services offered thru Advisory Services offered through SA Stone Investment Advisors Inc.

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 - investing.com/economic-calendar/ [1/12/18]
- 2 - thetstreet.com/story/14446654/1/producer-price-index-falls-for-first-time-since-2016.html [1/11/18]
- 3 - marketwatch.com/story/oil-prices-slip-from-3-year-high-as-traders-wait-for-trump-move-on-iran-2018-01-12 [1/12/18]
- 4 - markets.wsj.com/us [1/12/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=1%2F12%2F17&cx=0&y=0 [1/12/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=1%2F12%2F17&cx=0&y=0 [1/12/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=1%2F12%2F17&cx=0&y=0 [1/12/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=1%2F11%2F13&cx=0&y=0 [1/12/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=1%2F11%2F13&cx=0&y=0 [1/12/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=1%2F11%2F13&cx=0&y=0 [1/12/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=1%2F11%2F08&cx=0&y=0 [1/12/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=1%2F11%2F08&cx=0&y=0 [1/12/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=1%2F11%2F08&cx=0&y=0 [1/12/18]
- 6 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [1/12/18]
- 7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [1/12/18]