*In this week’s recap: retail sales impress again, groundbreaking suddenly tails off, stocks tread water, and more tariffs might be in store for China.*

**Weekly Economic Update**



*Presented by Ellen Dorle, CFP, July 23, 2018*

**ANOTHER GOOD MONTH FOR RETAIL SALES**

Americans are spending freely, as new Census Bureau data confirms. Retail sales advanced 0.5% last month, matching the consensus forecast of economists surveyed by Reuters, in the wake of a revised 1.3% May gain. (May was the best month for buying since last September.) The only negative note: core retail sales were flat in June. (Core sales exclude food, fuel, auto, and home improvement purchases.)1

**HOUSING STARTS SINK TO A 9-MONTH LOW**

Taking their biggest monthly fall since November 2016, starts unexpectedly dropped 12.3% in June. New Census Bureau data showed building permits declining 2.2% in June as well. In May, groundbreaking reached an 11-year peak.2

**ARE MORE TARIFFS COMING ON CHINESE GOODS?**

The possibility has just been raised. During a CNBC *Squawk Box* interview Friday, President Trump noted that perhaps all Chinese imports should face U.S. tariffs, explaining that he was “ready to go to 500” – a reference to the $505.5 billion total in Chinese products that came to America in 2017. The U.S. exported $129.9 billion of goods to China last year.3

**A FLAT WEEK ON WALL STREET**

While earnings and headlines certainly impacted market sectors, the major indices were little changed from where they began the week at Friday’s closing bell. Up 0.15% across five trading days, the Dow Jones Industrial Average concluded the week at 25,058.12. Moving north but 0.02% last week, the S&P 500 reached 2,801.83. Losing 0.07% on the week, the Nasdaq Composite settled at 7,820.20, Friday.4



T I P O F T H E W E E K



*Are you a self-employed professional or a small business owner? You should seriously consider* ***disability insurance****. As your salary may be your household’s main (or only) source of income, an extended interruption in your earnings could disrupt your lifestyle and prove financially disastrous.*



**THIS WEEK**

Monday, earnings announcements emerge from Alphabet, Halliburton, Hasbro, Kaiser Aluminum, Lennox International, Netgear, TD Ameritrade, Whirlpool, and Zions Bancorp; Wall Street also looks at June existing home sales. | 3M, Ameriprise Financial, AT&T, Avery Dennison, Biogen, Chubb, Eli Lilly, Harley-Davidson, JetBlue, Kimberly-Clark, Lockheed Martin, Peabody Energy, Quest Diagnostics, Smith Micro, Stryker, Texas Instruments, TransUnion, UBS Group, and Verizon present earnings, Tuesday. | On Wednesday, the earnings roster includes Anthem, Boeing, Citrix, Coca-Cola, Corning, Dolby Labs, Equifax, Extended Stay Hotels, Facebook, Fiat Chrysler, Ford Motor Co., Freeport-McMoRan, General Motors, General Dynamics, Gilead Sciences, GlaxoSmithKline, GrubHub, Hilton Worldwide Holdings, Ingersoll-Rand, Mattel, Mondelez, NextEra Energy, Norfolk Southern, Northrop Grumman, O’Reilly, Owens Corning, PayPal, Qualcomm, Raymond James, Rockwell Automation, Ryder Systems, Sempra Energy, Sirius XM, Six Flags Entertainment, Smart & Final, T. Rowe Price, Trivago, Universal Health Services, UPS, Visa, and Waste Management; in other news, a June new home sales report appears. | Data on June hard goods orders and initial jobless claims surfaces Thursday, along with earnings news from Aflac, Alaska Air, Allergan PLC, Ally Financial, Altria Group, Amazon.com, American Airlines, Amgen, Anheuser-Busch, Beazer Homes, Bristol-Myers, Celgene, Chipotle, CME Group, Comcast, Conoco-Phillips, D.R. Horton, Daimler AG, Del Taco, Discover, Dunkin’ Brands, Edison International, Electronic Arts, Expedia, GNC, Hershey, Intel, International Paper, Live Nation, Marathon Petroleum, Mastercard, McDonalds, NCR, Nokia, Penske, Praxair, Pulte Group, Raytheon, Royal Dutch Shell, SkyWest, Spirit Airlines, Spotify, Starbucks, SuperValu, The Hartford, Under Armour, Valero Energy, Verisign, Western Digital, W.R. Grace, and Xerox. | On Friday, the first estimate of Q2 GDP arrives, plus the final July University of Michigan consumer sentiment index and earnings from Chevron, Colgate-Palmolive, Exxon Mobil, Merck, Phillips 66, Twitter, and Weyerhaeuser.



**Q U O T E O F T H E W E E K**



*"****It is******wise to remember*** *that you are one of those who can be fooled some of the time."*

***LAURENCE J. PETER***



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **% CHANGE** | **Y-T-D** | **1-YR CHG** | **5-YR AVG** | **10-YR AVG** |
| DJIA | 1.37 | 15.95 | 12.24 | 11.85 |
| NASDAQ | 13.28 | 22.38 | 23.60 | 24.31 |
| S&P 500 | 4.80 | 13.28 | 13.12 | 12.24 |
|  |  |  |  |  |
| **REAL YIELD** | **7/20 RATE** | **1 YR AGO** | **5 YRS AGO** | **10 YRS AGO** |
| 10 YR TIPS | 0.78 | 0.50 | 0.28 | 1.80 |

Sources: wsj.com, bigcharts.com, treasury.gov - 7/20/185,6,7,8

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.



T H E W E E K L Y R I D D L E



*Scott has math 4 times a week. If he has math at 8:00 Monday, 9:00 on Tuesday and Wednesday, and 8:00 on Friday,* ***when*** *does he have math on Thursday?*

*LAST WEEK’S RIDDLE: How many times can you subtract 100 from 1,000?*

*ANSWER: Just once, because after that, you will be subtracting 100 from 900, 800, and so on.*



**Know someone who could use information like this?**Please feel free send us their contact information via phone or email. (Don’t worry – we’ll request their permission before adding them to our mailing list.)



**Ellen Dorle, CFP Dorle Financial, LLC 7957 Olentangy River Road Columbus, OH 43235**

[**edorle@ellendorle.com**](mailto:eededorle@ellendorle.com)[**www.ellendorle.com**](http://www.ellendorle.com/) **614-880-0064 Fax: 614-880-0067**

Securities offered through SA Stone Wealth Management Inc.  Member [FINRA](https://webmail.sterneagee.com/OWA/redir.aspx?REF=lpIKGmNy3ibC9hADEkjuACXmD00nwtitKjxU5piEFFTViePcqbHUCAFodHRwOi8vd3d3LmZpbnJhLm9yZy8.)/[SIPC](https://webmail.sterneagee.com/OWA/redir.aspx?REF=52Vq9JuWxYjki6OKhj2OF1LX_lhIys7XIo8ubQSZ5PrViePcqbHUCAFodHRwOi8vd3d3LnNpcGMub3JnL2Zhdmljb24uaWNv). 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 - cnbc.com/2018/07/16/us-retail-sales-june-2018.html [7/16/18]

2 - tradingeconomics.com/united-states/housing-starts [7/18/18]

3 - cnbc.com/2018/07/19/trump-says-hes-ready-to-put-tariffs-on-all-505-billion-of-chinese-.html [7/19/18]

4 - markets.wsj.com/us [7/20/18]

5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=7%2F20%2F17&x=0&y=0 [7/20/18]

5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=7%2F20%2F17&x=0&y=0 [7/20/18]

5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=7%2F20%2F17&x=0&y=0 [7/20/18]

5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=7%2F19%2F13&x=0&y=0 [7/20/18]

5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=7%2F19%2F13&x=0&y=0 [7/20/18]

5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=7%2F19%2F13&x=0&y=0 [7/20/18]

5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=7%2F21%2F08&x=0&y=0 [7/20/18]

5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=7%2F21%2F08&x=0&y=0 [7/20/18]

5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=7%2F21%2F08&x=0&y=0 [7/20/18]

6 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [7/20/18]

7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [7/20/18]