

WEEKLY ECONOMIC UPDATE

May 1, 2017

WEEKLY QUOTE

“Never suffer youth to be an excuse for inadequacy, nor age and fame to be an excuse for indolence.”

- Benjamin Haydon

WEEKLY TIP

Young adults who receive sudden wealth should realize the threats that could end up eroding it: their inexperience handling such large sums of money, their possibly inadequate financial literacy, and the pressure to overspend in our culture. For these reasons, they should chat with a financial professional.

WEEKLY RIDDLE

I have hands, my hands move, but you will never hear me clap. What am I?

Last week's riddle:
They can hear you, you can touch them, but they will never see you. What are they?

Last week's answer:
Your ears.

CONSUMER CONFIDENCE DIPS SLIGHTLY

The University of Michigan and Conference Board consumer confidence indices descended a little last month, but remained in great shape. The CB index displayed an April reading of 120.6, down from 124.9 in March. Slipping a point from its initial April mark, the Michigan barometer fell to 97.0.¹

LATEST HOUSING DATA IS MOSTLY POSITIVE

New home sales rose 5.8% in March, the Census Bureau noted last week; headline sales were 15.6% improved from a year earlier. The latest 20-city S&P/Case-Shiller home price index (January) showed 5.8% average yearly house price appreciation, up from 5.6% in December. Pending home sales retreated 0.8% in March, the National Association of Realtors reported.^{1,2}

FIRST QUARTER SAW LITTLE ECONOMIC GROWTH

According to the Bureau of Economic Analysis, America's economy expanded at a pace of 0.7% in Q1, well below the 2.1% growth seen in Q4. Economists polled by MarketWatch had projected a 0.8% Q1 GDP reading.¹

NASDAQ POSTS SIXTH WINNING MONTH IN A ROW

The tech benchmark added 2.32% this past week and 2.30% for April, shattering the 6,000 ceiling in the process. Upbeat earnings news and talk of corporate tax cuts also aided the S&P 500 – that index rose 0.91% for April, capping things off with a 1.51% weekly gain. How did the blue chips perform? The Dow advanced 1.34% on the month and 1.91% during April's last five trading sessions. Friday, the big three settled like so: Dow, 20,940.51; Nasdaq, 6,047.61; S&P, 2,384.20.^{3,4}

THIS WEEK: Monday, investors study March personal spending figures, ISM's April factory PMI, and earnings from Edison International. Earnings announcements from Altria, Anadarko Petroleum, Apple, ConocoPhillips, Cummins, Gilead Sciences, Hilton Worldwide, MasterCard, Merck, PG&E, Pfizer, and Twenty-First Century Fox appear Tuesday. Wednesday, the Street considers the latest Federal Reserve policy statement, ISM's March service sector index, the April ADP payrolls report, and earnings from Alibaba, Allstate, Estee Lauder, Facebook, Humana, Kraft Heinz, MetLife, Prudential Financial, Tesla, Time Warner, and Yum! Brands. Thursday offers a new Challenger job-cut report, initial jobless claims numbers, and earnings from Activision Blizzard, Anheuser-Busch, Berkshire Hathaway, Occidental Petroleum, and Viacom. March employment figures are out Friday, along with earnings from Cigna; also, Federal Reserve chair Janet Yellen speaks at Brown University in Rhode Island.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+5.96	+17.44	+11.66	+5.96
NASDAQ	+12.34	+25.85	+19.41	+13.65
S&P 500	+6.49	+14.86	+13.98	+5.96
REAL YIELD	4/28 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.37%	0.12%	-0.30%	2.25%

Sources: wsj.com, bigcharts.com, treasury.gov - 4/28/17^{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.

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Citations.

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