FALCK
FINANCIAL SERVICES

WEEKLY ECONOMIC UPDATE

September 11, 2017

WEEKLY QUOTE

"An unhurried sense of time is in itself a form of wealth."
- *Bonnie Friedman*

WEEKLY TIP

Grandparents might want to look at this potential tax break: two-thirds of U.S. states offer a state income tax deduction for contributions to a 529 college savings plan. Grandparents are eligible to claim such a deduction if they live in the state hosting the plan.

WEEKLY RIDDLE

I walk and run on all fours, and I laugh while stalking my prey, but I seldom go in for the kill. What animal am I?

Last week's riddle: What has a neck, yet no head?

Last week's answer: A bottle.

EQUIFAX BREACH MAY IMPACT 44% OF AMERICANS

Thursday evening, credit reporting agency Equifax disclosed that hackers had raided its databases this spring, accessing the personal information of up to 143 million people. Equifax believes that about 209,000 credit card numbers may have been collected in the process, plus numerous Social Security and driver's license numbers. Consumers can visit equifaxsecurity2017.com to see if they may have been affected by the breach. Equifax is offering a free year of identity theft insurance and credit monitoring for those at risk.[1]

SERVICE SECTOR EXPANDS FASTER

At an August reading of 55.3, the Institute for Supply Management's service sector purchasing manager index was 1.4 points improved from its July mark, indicating a quicker pace of expansion for non-manufacturing firms in the eighth month of the year. Readings above 50 indicate sector growth.[2]

DEBT CEILING RAISED, WITH DECEMBER 15 DEADLINE

Congress passed a bill to lift the federal borrowing limit Friday, after the White House and congressional leaders agreed to extend the prior, late-September deadline. This measure approves two-and-a-half more months of funding for the federal government. A $15 billion aid package for hurricane victims was also included in the legislation.[3]

THREATS WEIGH ON EQUITIES

Investors were worried about hurricanes and North Korea last week, and major index performance reflected those concerns. Across four days of trading, the Dow Jones Industrial Average lost 0.84% to 21,797.79. The S&P 500 retreated 0.59% to 2,461.43, while the Nasdaq Composite fell 1.13% to 6,360.19.[4,5]

THIS WEEK: On Monday, nothing major is scheduled. Tuesday, Apple hosts its annual launch event. On Wednesday, the August Producer Price Index appears, plus earnings from Cracker Barrel Old Country Store. The August Consumer Price Index, the latest initial unemployment claims report, and Q3 results from Oracle attract the attention of investors Thursday. August retail sales data, a report on August industrial output, and September's preliminary University of Michigan consumer sentiment index all arrive Friday.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+10.30	+17.95	+12.76	+6.62
NASDAQ	+18.15	+20.93	+20.56	+14.79
S&P 500	+9.94	+12.84	+14.24	+6.93
REAL YIELD	9/8 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.25%	0.09%	-0.68%	2.19%

Sources: wsj.com, bigcharts.com, treasury.gov - 9/8/17[5,6,7,8]
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.

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Citations.

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