

Anthony Kalinowski, CFP®, President Presents:

# WEEKLY ECONOMIC UPDATE

March 13, 2017

## WEEKLY QUOTE

“Any word you have to hunt for in a thesaurus is the wrong word. There are no exceptions to this rule.”

- Stephen King

## WEEKLY TIP

When your children turn 18, you lose the legal authority to make financial decisions on their behalf as well as the legal authority to examine their banking and credit card information. If you have a teenager with bad financial habits, this may be worth noting.

## WEEKLY RIDDLE

It can brighten any room, yet not take up any space. What is it?

### Last week's riddle:

Michelle threw a softball 30 feet, and it didn't hit anything and it came back to her. What did she do to make this happen?

### Last week's answer:

She threw it straight up in the air.

## COMPANIES HIRED READILY IN FEBRUARY

U.S. firms added 235,000 net new jobs last month, and the latest Department of Labor employment report showed the largest growth occurring in the construction and education/health care sectors. The DoL also revised January's job gains upward by 11,000 to 238,000. Payroll expansion has averaged 209,000 per month since December. The headline (U-3) jobless rate ticked down 0.1% to 4.7%, and the total (U-6) jobless rate, counting the underemployed, fell 0.2% to 9.2%.<sup>1</sup>

## FED FUTURES MARKET: MARCH RATE HIKE A GIVEN

The CME Group's FedWatch Tool, which tracks the prices of 30-day Fed Fund futures to get a bead on traders' reactions to potential monetary policy moves, put the chance of a March 15 quarter-point interest rate hike at 93% Friday. The odds of another quarter-point move in June were put at 51%.<sup>2</sup>

## OIL SLUMPS 9.1% IN A WEEK

During March 6-10, WTI crude had its worst week since November, retreating to a Friday close of \$48.49 on the NYMEX. News of rising output and plentiful stateside inventory hurt prices. In other oil news, a billion-barrel crude reserve was just found in the Alaskan interior – the largest such discovery since the 1980s.<sup>3,4</sup>

## STOCKS RETREAT, BUT JUST SLIGHTLY

As the bull market turned eight years old, the S&P 500 turned a bit south, losing 0.44% in five days. At the closing bell Friday, it stood at 2,372.60. The Nasdaq Composite also fell for the week, declining 0.15% to 5,861.73. The Dow Jones Industrial Average gave back 0.49% in the same interval, settling at 20,902.98 Friday.<sup>5</sup>

**THIS WEEK:** Monday, Del Taco and Jamba report Q4 results. The February PPI arrives Tuesday, along with earnings from Bon-Ton Stores, DSW, and Hostess Brands. Wednesday, investors worldwide react to the Federal Reserve's latest monetary policy statement, plus the February CPI, February retail sales figures and earnings news from GUESS, Jabil Circuit, Oracle, and Williams-Sonoma. On Thursday, Wall Street reviews initial jobless claims, and the Census Bureau's report on February construction activity; investors also consider earnings from Adobe Systems and Dollar General. The preliminary March University of Michigan consumer sentiment index appears Friday, complementing the Fed's report on February industrial output and Q4 results from Tiffany & Co.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+5.77	+22.99	+12.35	+7.03
NASDAQ	+8.89	+25.73	+19.23	+14.55
S&P 500	+5.97	+19.25	+14.61	+6.91
REAL YIELD	3/10 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.57%	0.45%	-0.24%	2.25%

Sources: wsj.com, bigcharts.com, treasury.gov - 3/10/17<sup>5,6,7,8</sup>

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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- 3 - [marketwatch.com/story/oil-moves-cautiously-higher-remains-under-50-a-barrel-2017-03-10/](http://marketwatch.com/story/oil-moves-cautiously-higher-remains-under-50-a-barrel-2017-03-10/) [3/1/17]
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