

WEEKLY ECONOMIC UPDATE

April 24, 2017

WEEKLY QUOTE

“Learn how to see. Realize that everything connects to everything else.”
- Leonardo da Vinci

WEEKLY TIP

Poor documentation can be an Achilles heel for a small business. Storing invoices, bank statements, credit notes, and other financial documents in one place is vital, be it a file cabinet or a digital vault.

WEEKLY RIDDLE

They can hear you, you can touch them, but they will never see you. What are they?

Last week's riddle:

Rick was born on December 4th, yet he claims his birthday always occurs in the summer. How is this possible?

Last week's answer:

He was born in the Southern Hemisphere.

EXISTING HOME SALES HIT A 10-YEAR PEAK

Rising 4.4% for March, resales surpassed expectations – analysts polled by Reuters projected a gain of 2.5%. The National Association of Realtors said that sales were 5.9% improved from a year before, and that put them at their best level since February 2007, even with existing home inventory 6.6% slimmer than in March 2016.¹

CONSTRUCTION ACTIVITY WANES

Department of Commerce data showed a 6.8% reduction in housing starts in March. Even with that fall, starts were up 9.2% in 12 months. Building permits rose 3.6% last month, resulting in a 17.0% annualized increase.²

LIGHT SWEET CRUDE SLIDES 7% IN 5 TRADING DAYS

WTI crude settled at \$49.62 Friday, 7.4% below where it had closed a week earlier. One influence was a Baker Hughes report showing that the number of active rigs had increased for a fourteenth consecutive week.³

STOCKS END CHOPPY WEEK HIGHER

Five days of rollercoasting ultimately sent the S&P 500 to a 0.85% weekly gain. The Dow Jones Industrial Average and Nasdaq Composite respectively advanced 0.46% and 1.82% in the same stretch. At Friday's close, the Dow settled at 20,547.76; the S&P, at 2,348.69; and the Nasdaq, at 5,910.52.⁴

THIS WEEK: Monday, earnings arrive from Coach, Express Scripts, Halliburton, Hasbro, Kimberly-Clark, Newmont Mining, and T. Rowe Price. The Conference Board's April consumer confidence index, the February S&P/Case-Shiller home price index, and March new home sales data appear Tuesday, along with earnings from 3M, AT&T, Baker Hughes, Biogen, Capital One, Caterpillar, Chubb, Coca-Cola, Eli Lilly, Fifth Third, Freeport-McMoRan, McDonald's, Northern Trust, Novartis, and Xerox. On Wednesday, the earnings lineup includes Alaska Air, Amgen, Anthem, Boeing, Credit Suisse, Dr. Pepper Snapple Group, Equifax, GlaxoSmithKline, Hershey, Ingersoll-Rand, Norfolk Southern, O'Reilly Auto Parts, PepsiCo, Procter & Gamble, Rockwell Automation, State Street, and T-Mobile. Earnings from Alphabet, Amazon, American Airlines, Comcast, Dow Chemical, Expedia, Ford Motor Co., MGM Resorts, Microsoft, Parker-Hannifin, Southwest Airlines, Under Armour, and Western Digital all roll out Thursday, complementing reports on initial jobless claims and March durable goods orders and housing contract activity. Exxon Mobil, General Motors, Phillips 66, UBS Group AG, and Weyerhaeuser issue earnings news Friday, as investors also consider the federal government's first estimate of Q1 growth and the University of Michigan's final April consumer sentiment index.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+3.97	+14.27	+11.54	+5.85
NASDAQ	+9.80	+19.50	+19.40	+13.40
S&P 500	+4.91	+12.30	+14.08	+5.82
REAL YIELD	4/21 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.40%	0.24%	-0.24%	2.27%

Sources: wsj.com, bigcharts.com, treasury.gov - 4/21/17^{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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