

WEEKLY ECONOMIC UPDATE

July 24, 2017

WEEKLY QUOTE

“Freedom is a possession of inestimable value.”
- Cicero

WEEKLY TIP

Business owners can waste hours chasing late payments. If you have clients or customers who constantly pay late, ask yourself whether keeping them is worth the headache. It may not be.

WEEKLY RIDDLE

After badly losing an away game, a college football team doesn't want their coach to come in and yell at them, so they put 1,000 pounds of weights against a locker room door to prevent him from opening it. He comes in and yells at them face-to-face anyway. Why are they unable to keep him from coming through the doorway?

Last week's riddle:

Multiply all the numbers on your phone's keypad. What number do you get?

Last week's answer:

Zero.

WILL STOCKS GET AN EARNINGS BOOST?

While the first full week of the Q2 earnings season saw no pronounced rallies, there were also no shocks. By Friday's closing bell, 20% of S&P 500 member firms had reported calendar Q2 results, and a FactSet analysis showed 77% had topped sales projections and 73% had beaten earnings-per-share forecasts – a good sign in an earnings-driven market climate. The Nasdaq Composite gained 1.19% last week and settled at 6,387.75 Friday; the S&P 500 rose to 2,472.54 after a 5-day gain of 0.54%. As blue chips fell 0.27% across five trading days, the Dow Jones Industrial Average closed at 21,580.07 Friday. All three indices hit record highs during the week.^{1,2}

CONSTRUCTION ACTIVITY SURGED IN JUNE

According to a new Census Bureau report, housing starts rose 8.3% last month, while building permits were up 7.4%. That counteracts the 2.8% fall for starts and the 4.9% drop for permits in May.³

GOLD TOPS \$1,250

Settling at \$1,254.90 Friday, the yellow metal hit its highest COMEX close since June 23, up 2.2% in five days. Silver rose 3.3% last week to a Friday close of \$16.46.⁴

THIS WEEK: On Monday, Alphabet, Anadarko Petroleum, Celanese, Halliburton, Hasbro, and Stanley Black & Decker present earnings, and Wall Street also considers June existing home sales numbers. Tuesday offers a new Conference Board consumer confidence index and earnings from 3M, AT&T, Ameriprise Financial, Amgen, Biogen, Caterpillar, Chipotle, Chubb, Domino's, Eli Lilly, Express Scripts, Freeport-McMoRan, General Motors, JetBlue, McDonald's, Mondelez, PulteGroup, Quest Diagnostics, Smart & Final, Supervalu, Texas Instruments, U.S. Steel, and Universal Health. The Federal Reserve makes a policy statement Wednesday; investors will also look at June new home sales data and earnings from Anthem, Boeing, Coca-Cola, Corning, D.R. Horton, Discover, Facebook, Ford Motor Co., General Dynamics, Gilead Sciences, Hilton Worldwide, Ingersoll-Rand, O'Reilly, PayPal, Public Storage, Rent-A-Center, Rockwell Automation, Ryder System, State Street, Waste Management, West Marine, Whirlpool, and Whole Foods. Data on initial claims and June hard goods orders appears Thursday, plus earnings from Aflac, Ally Financial, Altria Group, Amazon, Baidu, Bristol-Myers Squibb, ConocoPhillips, Dow Chemical, Dr. Pepper Snapple, Dunkin' Brands, Edison International, Expedia, Intel, Procter & Gamble, Raytheon, Revlon, Southwest Airlines, Spirit Airlines, Starbucks, Twitter, UPS, Valero Energy, Verizon, W.R. Grace, and Xerox. July's final University of Michigan consumer sentiment index and the first Q2 GDP estimate appear Friday, plus earnings from American Airlines, Chevron, ExxonMobil, Magellan Health, and Merck.

| % CHANGE | Y-T-D | 1-YR CHG | 5-YR AVG | 10-YR AVG |
|------------|-----------|----------|-----------|------------|
| DJIA | +9.20 | +16.54 | +13.66 | +5.58 |
| NASDAQ | +18.66 | +25.89 | +23.67 | +13.77 |
| S&P 500 | +10.44 | +14.20 | +16.29 | +6.12 |
| REAL YIELD | 7/21 RATE | 1 YR AGO | 5 YRS AGO | 10 YRS AGO |
| 10 YR TIPS | 0.48% | 0.05% | -0.67% | 2.60% |

Sources: wsj.com, bigcharts.com, treasury.gov - 7/21/17^{2,5,6,7}

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.

**Please feel free to forward this article to family, friends or colleagues.
If you would like us to add them to our distribution list, please reply with their address.**

We will contact them first and request their permission to add them to our list.

Sarah



INNOVATIVE, HONEST, CARING ADVICE

Website: www.fulcrumfinancialgroup.com



Sarah Carlson CFP[®], CLU, CHFC.

1403 S. Grand Blvd. Suite 201 N.
Spokane, WA 99203
p. 509-747-2075
f. 509-456-2438

Securities and advisory services offered through LPL Financial, a Registered Investment Advisor Member FINRA/SIPC.

The information contained in this email message is being transmitted to and is intended for the use of only the individual(s) to whom it is addressed. If the reader of this message is not the intended recipient, you are hereby advised that any dissemination, distribution or copying of this message is strictly prohibited. If you have received this message in error, please immediately delete.