

# WEEKLY ECONOMIC UPDATE

November 20, 2017

## WEEKLY QUOTE

“Humor is just another defense against the universe.”

- Mel Brooks

## WEEKLY TIP

The classic way to balance a household budget is to reduce expenses. But what about earning more money? In this strong economy, consider asking for a raise at work or creating another income stream.

## WEEKLY RIDDLE

They can darken the dark; they can also lighten the intensity of the light. What are they?

## Last week's riddle:

Wherever you notice me, I'll be in a row. My name has no letters, but my initials are MNO. What am I?

## Last week's answer:

The 6 key on a phone keypad.

## YEARLY INFLATION BACK AT 2.0%

Consumer costs ticked up just 0.1% in October, according to the Department of Labor. The marginal monthly gain left the annualized increase in the headline Consumer Price Index at 2.0%, down from 2.2% a month earlier. The core CPI has risen 1.8% in 12 months. Gasoline prices influenced the October headline number: they fell 2.4% in October after a 13.1% September leap.<sup>1</sup>

## RETAIL SALES BEAT EXPECTATIONS

Analysts surveyed by MarketWatch thought retail sales would be flat for October after their huge surge in September. That was not so. They surprised to the upside with a gain of 0.2%. Minus auto buying, the advance was 0.1%.<sup>2</sup>

## DEVELOPERS PICK UP THE PACE AS FALL BEGINS

Newly released Census Bureau data shows a 13.7% monthly increase in housing starts in October as well as a 5.9% rise for building permits. Single-family home construction strengthened 5.3% last month.<sup>3</sup>

## NASDAQ OUTPERFORMS DOW, S&P 500

After a volatile five days, the Nasdaq Composite closed 0.47% higher on November 17 than it had on November 10: 6,782.79. The trading week was tougher for the Dow Jones Industrial Average, which declined 0.27% to 23,358.24, and the S&P 500, which lost 0.13% on the way to a Friday settlement of 2,578.85. The Russell 2000 added 1.19% to wrap up the week at 1,492.82. Wall Street's hottest index over the past year has been the PHLX Semiconductor – as of Friday, it had gained 49.77% in the past 52 weeks.<sup>4</sup>

**THIS WEEK:** Monday, Agilent Technologies and Urban Outfitters reveal Q3 results. On Tuesday, investors consider earnings announcements from Campbell Soup, Hormel Foods, and Lowe's, plus the latest new home sales report from the National Association of Realtors; also, Federal Reserve chair Janet Yellen stops by New York University for a moderated Q&A session. The Fed releases the minutes from its November policy meeting on Wednesday; Wall Street will also keep an eye out for the final November consumer sentiment index from the University of Michigan, a new report on durable goods orders, and earnings from Deere & Co. On Thursday, U.S. financial markets are closed for Thanksgiving. Friday, Wall Street reopens for a shortened trading session ending at 1:00pm EST.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+18.19	+23.56	+17.11	+7.73
NASDAQ	+26.00	+27.16	+27.55	+15.72
S&P 500	+15.19	+17.91	+17.93	+7.68
REAL YIELD	11/17 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.49%	0.42%	-0.81%	1.80%

Sources: wsj.com, bigcharts.com, treasury.gov - 11/17/17<sup>4,5,6,7</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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