

WEEKLY  
**MARKETSNAPSHOT**

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

**SEPTEMBER 1, 2017**

**Market Commentary**

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Hurricane Harvey brought death, destruction, a record amount of rain, and flooding to the Houston area. A full assessment of the damage and economic impact will take some time. Recovery may add a bit to GDP growth in the quarters ahead (not quite enough to offset the loss of economic activity in 3Q17).

Real GDP rose at a 3.0% annual rate in the 2nd estimate for 2Q17, but the story remained the same. Consumer spending was stronger than initially reported, still reflecting a rebound from a soft 1Q17. Business fixed investment was also revised higher, boosted partly by the rebound in energy exploration in the first half of the year.

The August Employment Report was a little softer than expected, but still consistent with a strong job market. Nonfarm payrolls rose by 156,000, with a net revision of -41,000 to June and July. The unemployment rate edged up to 4.4% (essentially unchanged). Average hourly earnings rose just 0.1% (+2.5% y/y). The ISM Manufacturing Index picked up to 58.8 in August, vs. 56.3 in July and 57.8 in June.

Next week, investors will want to pay attention to Fed Governor Lael Brainard's speech (she's been a bit hawkish in recent comments, but could soften her policy outlook). The ISM Non-Manufacturing Index has some potential to surprise, but it should be an uneventful week for the economic data. Congress returns and will focus on the FY18 budget and the debt ceiling. Market participants may worry about the possibility of a government shutdown or default on the national debt, but this is Republican vs. Republican, and lawmakers can easily kick the can down the road.

[Indices](#)

	Last	Last Week	YTD return %
DJIA	21948.10	21783.40	11.06%
NASDAQ	6428.66	6271.33	19.42%
S&P 500	2471.65	2438.97	10.40%
MSCI EAFE	1930.82	1919.54	14.66%
Russell 2000	1405.28	1373.88	3.55%

### Consumer Money Rates

	Last	1 year ago
Prime Rate	4.25	3.50
Fed Funds	1.16	0.40
30-year mortgage	3.89	3.42

### Currencies

	Last	1 year ago
Dollars per British Pound	1.293	1.326
Dollars per Euro	1.191	1.119
Japanese Yen per Dollar	109.98	103.23
Canadian Dollars per Dollar	1.248	1.310
Mexican Peso per Dollar	17.886	18.748

### Commodities

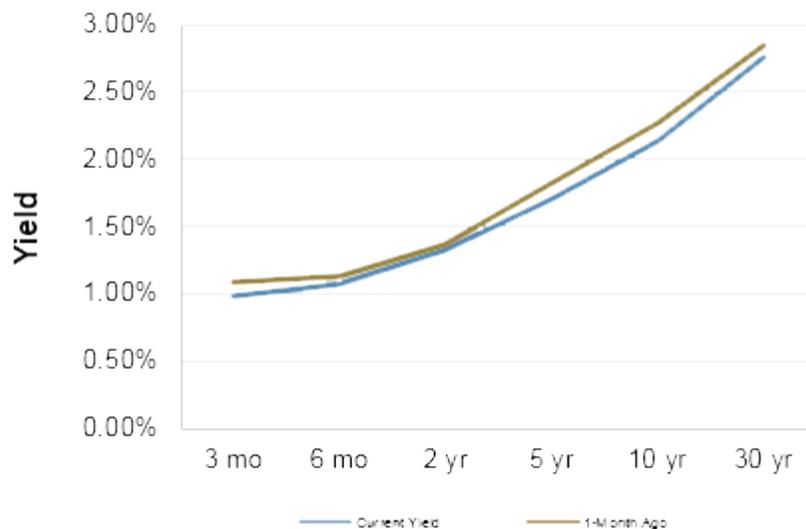
	Last	1 year ago
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Crude Oil	47.23	47.16
Gold	1322.20	1317.10

### Bond Rates

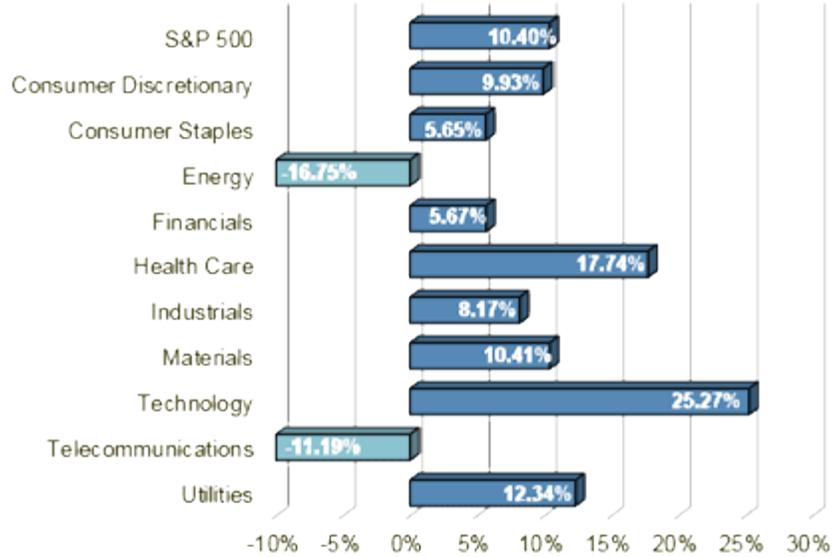
	Last	1 month ago
2-year treasury	1.32	1.38
10-year treasury	2.13	2.27
10-year municipal (TEY)	2.83	2.88

### Treasury Yield Curve – 09/01/2017



As of close of business 08/31/2017

### S&P Sector Performance (YTD) – 09/01/2017



As of close of business 08/31/2017

### Economic Calendar

- September 4** — Labor Day Holiday (markets closed)
  
- September 5** — Fed Gov Brainard Speaks ("econ outlook and monetary policy")
  
- Factory Orders (July)
  
- September 6** — Trade Balance (July)
  
- ISM Non-Manufacturing Index (August)
  
- Fed Beige Book
  
- September 7** — Jobless Claims (week ending September 2)
  
- September 13** — Producer Price Index (August)
  
- September 14** — Consumer Price Index (August)

- September 15** — Retail Sales (August)
- Industrial Production
- September 20** — FOMC Policy Decision (Yellen press conference)
- October 6** — Employment Report (September)
- November 1** — FOMC Policy Decision (no press conference)
- December 13** — FOMC Policy Decision (Yellen press conference)

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The Dow Jones Industrial Average is an unmanaged index of 30 widely held stocks. The NASDAQ Composite Index is an unmanaged index of all common stocks listed on the NASDAQ National Stock Market. The S&P 500 is an unmanaged index of 500 widely held stocks. The MSCI EAFE (Europe, Australia, Far East) index is an unmanaged index that is generally considered representative of the international stock market. The Russell 2000 index is an unmanaged index of small cap securities which generally involve greater risks. An investment cannot be made directly in these indexes. The performance noted does not include fees or charges, which would reduce an investor's returns. U.S. government bonds and treasury bills are guaranteed by the US government and, if held to maturity, offer a fixed rate of return and guaranteed principal value. U.S. government bonds are issued and guaranteed as to the timely payment of principal and interest by the federal government. Treasury bills are certificates reflecting short-term (less than one year) obligations of the U.S. government.

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