

WEEKLY MARKETSNAPSHOT

CURRENT ECONOMIC OUTLOOK FOR TIMELY FINANCIAL PLANNING

AUGUST 11, 2017

Market Commentary

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The economic calendar was thin. The Consumer Price Index (CPI) rose 0.1% in July (median forecast: +0.2%), up 1.7% year-over-year. Ex-food and energy, the CPI also rose 0.1% (median forecast: +0.2%), also up 1.7% y/y. The inflation figures were held down partly by a drop in the price index for lodging away from home (otherwise, the headline CPI figures would have been in line with expectations). Real average hourly earnings rose 0.2%, following gains of 0.3% in both May and June (+0.7% y/y), which should help to provide some support for consumer spending growth in the near term.

Increased tensions with North Korea were cited as a catalyst for equity market weakness, but stocks were likely due for a pullback (the market can't rise every day) and the market's timing relative to the news seemed a bit off.

Next week, the focus will be on the July retail sales figures (Tuesday) and the Federal Open Market Committee minutes (Wednesday afternoon). Retail sales results were weak in May and June. Investors will be looking for a moderate pickup in July. The minutes of the July 25 – 26 FOMC meeting are unlikely to tell us much beyond what we already know. The Fed has laid out its plans for balance sheet reduction, and the consensus view is that will begin in October, delaying the next increase in short-term interest rates to mid-December. However, the minutes may show an internal debate about the timing of balance sheet reduction and some discussion of the recent low trend in inflation.

Indices

	Last	Last Week	YTD return %
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DJIA	21844.01	22026.10	10.53%
NASDAQ	6216.87	6340.34	15.49%
S&P 500	2438.21	2472.16	8.91%
MSCI EAFE	1927.41	1955.39	14.45%
Russell 2000	1372.54	1405.23	1.14%

Consumer Money Rates

	Last	1 year ago
Prime Rate	4.25	3.50
Fed Funds	1.16	0.40
30-year mortgage	3.96	3.38

Currencies

	Last	1 year ago
Dollars per British Pound	1.298	1.296
Dollars per Euro	1.177	1.114
Japanese Yen per Dollar	109.20	101.96
Canadian Dollars per Dollar	1.274	1.299
Mexican Peso per Dollar	17.972	18.229

Commodities

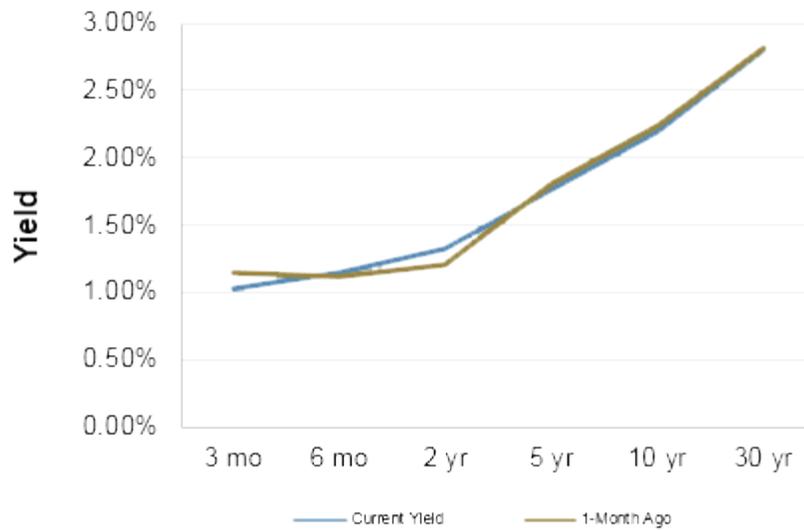
	Last	1 year ago
Crude Oil	48.59	43.49

Gold	1290.10	1350.00
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Bond Rates

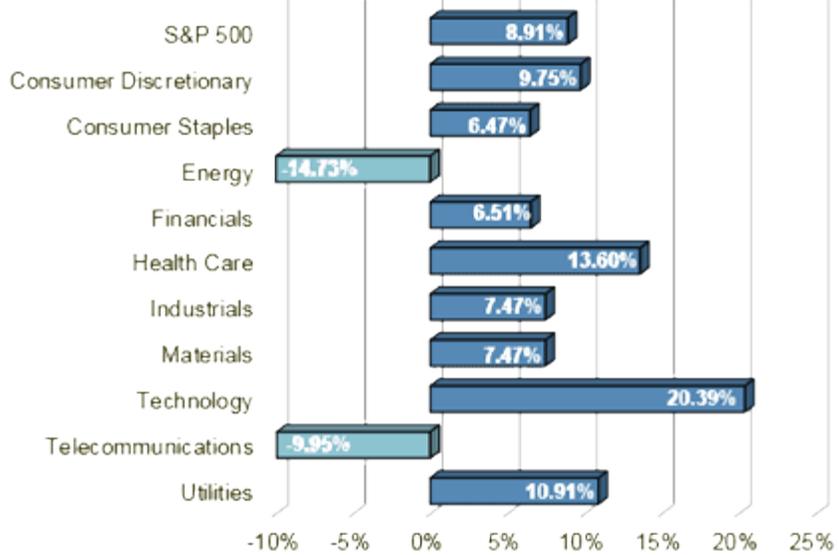
	Last	1 month ago
2-year treasury	1.38	1.35
10-year treasury	2.25	2.24
10-year municipal (TEY)	2.86	4.03

Treasury Yield Curve – 08/11/2017



As of close of business 08/10/2017

S&P Sector Performance (YTD) – 08/11/2017



As of close of business 08/10/2017

Economic Calendar

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|------------------|---|---|
| August 15 | — | Retail Sales (July) |
| | — | Import Prices (July) |
| | — | Homebuilder Sentiment (August) |
| August 16 | — | Building Permits, Housing Starts (July) |
| | — | FOMC Minutes (July 25-26) |
| August 17 | — | Jobless Claims (week ending August 12) |
| | — | Industrial Production (July) |
| | — | Leading Economic Indicators (July) |
| August 23 | — | New Home Sales (July) |

August 24	—	Existing Home Sales (July)
August 25	—	Durable Goods Orders (July)
	—	Yellen Jackson Hole Speech (tentative)
August 30	—	Real GDP (2Q17, 2nd estimate)
September 1	—	Employment Report (August)
September 4	—	Labor Day Holiday (markets closed)
September 20	—	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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