

# WEEKLY ECONOMIC UPDATE

August 28, 2017

## WEEKLY QUOTE

“Knowledge is love and light and vision.”  
- Helen Keller

## WEEKLY TIP

In retirement, arranging income distributions with an eye on tax efficiency could help your savings last longer. Smaller, tax-deferred account distributions will make your annual income taxes more bearable.

## WEEKLY RIDDLE

Jon drove past the college at 60 mph, but he wasn't pulled over or cited, even though a police officer was right behind him. Why?

**Last week's riddle:**  
I follow you during the daytime, but at night I can't be seen. What am I?

**Last week's answer:**  
Your shadow.

## SUMMER SLOWDOWN HITS HOUSING MARKET

Low inventory and high prices are taking a toll on existing home sales. They declined 1.3% in July, according to the National Association of Realtors, making a second straight monthly retreat. In the past 12 months, the number of existing homes on the market has shrunk 9.0%, while the median sale price has risen 6.2% to \$258,300. While resales were up 2.1% year-over-year, the seasonally adjusted annual sales rate reached a 2017 low in July. Census Bureau data showed new home sales falling 9.4% last month.<sup>1,2</sup>

## GASOLINE FUTURES RISE, BUT OIL FUTURES FALL

On the NYMEX, unleaded gasoline gained 2.6% last week, with prices briefly reaching a 5-month peak. Even as oncoming Hurricane Harvey posed a threat to Gulf Coast oil output, crude lost 1.6% last week to settle at \$47.87 Friday.<sup>3</sup>

## ORDERS FOR DURABLES DECLINE

Hard goods orders retreated 6.8% for July; the decrease was 7.8% with defense orders factored out. However, core orders (which do not include transportation equipment purchases) were up 0.5% last month.<sup>1</sup>

## STOCKS ADVANCE

August could end up being a down month for the S&P 500, but the index was up for the week. It rose 0.72% in five days to 2,443.05. The Dow and Nasdaq also advanced last week: the blue chips added 0.64% to close at 21,813.67 Friday, and Wall Street's top tech benchmark gained 0.79% to 6,265.64.<sup>4</sup>

**THIS WEEK:** Nothing major is slated for Monday. Tuesday, the latest Conference Board consumer confidence index appears, along with the June S&P/Case-Shiller home price index and earnings from Bank of Montreal, Best Buy, and H&R Block. On Wednesday, Wall Street scrutinizes ADP's August payroll report, the second estimate of Q2 GDP, and earnings news from Analog Devices, Bob Evans Farms, Chico's FAS, Five Below, and Shoe Carnival. Thursday sees the release of July personal spending data, the Federal Reserve's July PCE price index, the August Challenger job-cut report, the NAR's July pending home sales index, new initial claims numbers, and earnings from Campbell Soup, Dollar General, Land's End, and Lululemon Athletica. The Department of Labor's August jobs report, the final August University of Michigan consumer sentiment index, and the August ISM factory PMI all arrive on Friday.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+10.38	+18.24	+13.16	+6.30
NASDAQ	+16.39	+20.21	+20.82	+14.32
S&P 500	+9.12	+12.45	+14.63	+6.51
REAL YIELD	8/25 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.42%	0.09%	-0.60%	2.40%

Sources: wsj.com, bigcharts.com, treasury.gov - 8/25/17<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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We will contact them first and request their permission to add them to our list.**

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## Citations.

- 1 - [investing.com/economic-calendar/](http://investing.com/economic-calendar/) [8/25/17]
- 2 - [inman.com/2017/08/24/existing-home-sales-dip-for-second-month-in-a-row/](http://inman.com/2017/08/24/existing-home-sales-dip-for-second-month-in-a-row/) [8/24/17]
- 3 - [marketwatch.com/story/gasoline-ends-barely-higher-after-touching-a-5-month-high-2017-08-25](http://marketwatch.com/story/gasoline-ends-barely-higher-after-touching-a-5-month-high-2017-08-25) [8/25/17]
- 4 - [markets.wsj.com/us](http://markets.wsj.com/us) [8/25/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F25%2F16&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F25%2F16&x=0&y=0) [8/25/17]
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- 6 - [treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield](http://treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield) [8/25/17]
- 7 - [treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll](http://treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll) [8/25/17]