

WEEKLY ECONOMIC UPDATE

April 25, 2016

WEEKLY QUOTE

“The wisest mind has something yet to learn.”

- George Santayana

WEEKLY TIP

If your parent has cognitive issues that make bill paying difficult, ask them if they might want to consider arranging automatic payments, or having their mail delivered to your address or a P.O. Box, so that you may review their bills and statements.

WEEKLY RIDDLE

Sandra is running in a half-marathon and she passes the second person in the race. What position is she in?

Last week's riddle:

It may contain a thousand wheels, yet it never moves despite spending all day in the sun. What is it?

Last week's answer:

A parking lot.

HOME SALES REBOUND

Bouncing back from a drop of 7.3% in February, existing home sales improved 5.1% last month. In its March report, the National Association of Realtors announced a median sale price of \$222,700, 5.7% higher than a year ago.^{1,2}

BUILDERS BREAK GROUND ON FEWER PROJECTS

While home sales increased last month, the pace of both housing starts and building permits declined. Census Bureau data shows an 8.8% reduction in groundbreaking for March. Building permits were down 7.7% for the month.^{1,2}

OIL PRICES RISE FOR A THIRD STRAIGHT WEEK

WTI crude settled at \$43.73 on the NYMEX Friday. Expectations of declining production helped oil gain 4.8% in five trading days. Gasoline futures were also up 4.8% on the week.³

DOW CLOSES ABOVE 18,000

For the week, the DJIA rose 0.59% to a Friday settlement of 18,003.75. The S&P 500 advanced 0.52% in five days to close at 2,091.58 as the trading week ended. The Nasdaq retreated 0.65% for the week to 4,906.23.⁴

THIS WEEK: March new home sales figures appear Monday, plus earnings from Express Scripts, Halliburton, and Xerox. Tuesday features the Conference Board's April consumer confidence index, February's Case-Shiller home price index, and earnings from 3M, Aflac, Akamai, Apple, AT&T, Capital One, Chipotle, Coach, Corning, eBay, Eli Lilly, Freeport-McMoRan, HealthSouth, Hershey, Ingersoll-Rand, JetBlue, Office Depot, Panera, Procter & Gamble, Public Storage, T-Mobile, Twitter, U.S. Steel, Whirlpool, and Wynn Resorts. Wednesday, a new Federal Reserve policy statement and NAR's March pending home sales index complement earnings from Ameriprise, Anthem, Blackrock, Boeing, Cheesecake Factory, Comcast, Facebook, Dr. Pepper Snapple, Garmin, GlaxoSmithKline, Goodyear, Hilton, Lear, Marriott, O'Reilly, PayPal, and Texas Instruments. The BEA's first estimate of Q1 GDP arrives Thursday, plus initial claims and earnings from Aetna, Altria, Amazon, Amgen, Baidu, Beazer, Bristol-Myers Squibb, Coca-Cola, Colgate-Palmolive, ConocoPhillips, Dow Chemical, Dunkin' Brands, Domino's, Expedia, Ford Motor Co., LinkedIn, MasterCard, Pandora, Raytheon, Time Warner Cable, UPS, Waste Management, and Western Digital. Friday sees the release of the University of Michigan's final April consumer sentiment index, March personal spending figures, and earnings from AMC, Chevron, ExxonMobil, Philipps 66, Praxair, and Royal Caribbean Cruises.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+3.32	-0.19	+8.79	+5.87
NASDAQ	-2.02	-2.56	+14.79	+10.77
S&P 500	+2.33	-0.78	+11.28	+5.95
REAL YIELD	4/22 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.25%	0.12%	0.83%	2.39%

Sources: wsj.com, bigcharts.com, treasury.gov - 4/22/16^{5,6,7,8}

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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Citations.

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