

# WEEKLY ECONOMIC UPDATE

October 9, 2017

## WEEKLY QUOTE

“Never let the future disturb you. You will meet it, if you have to, with the same weapons of reason which today arm you against the present.”

- Marcus Aurelius

## WEEKLY TIP

Your household may want to budget by the 50/20/30 rule: 50% of take-home pay assigned to fixed monthly costs, 20% to saving/investing, and 30% to flexible consumer expenses.

## WEEKLY RIDDLE

Christine wants to know how far she can hike into a rugged badlands that is 6 miles wide. How far can she possibly go into the badlands?

Last week's riddle:  
Michael is asked to use only the numeral 4 four times to make an equation that equals 17. How does he do it?

Last week's answer:  
 $[4 \div 4] + [4 \times 4] = 17$ .

## HURRICANES HURT SEPTEMBER JOB NUMBERS

For the first time in seven years, the economy went a month without payroll growth. The Department of Labor's September employment report revealed the impact of Hurricanes Harvey and Irma: it showed 33,000 fewer people working. Average hourly wages rose 0.5% to take the annualized gain to 2.9%, but this may have been an effect of the net loss of 105,000 lower-paying bar and restaurant jobs. In a statistical fluke, the headline jobless rate fell to 4.2%, and the U-6 rate, counting the underemployed, declined to 8.3%, even as slightly more Americans looked for work.<sup>1</sup>

## ISM FACTORY PMI TOPS 60

Rising 2.0 points for September, the Institute for Supply Management's factory purchasing manager index hit 60.8, its best mark since May 2004. ISM's service sector PMI also made a nice leap in September, ascending 4.5 points to 59.8, its highest result since August 2005. Analysts polled by the *Wall Street Journal* expected the services PMI to tick down to 55.2 last month.<sup>2</sup>

## OIL HAS FIRST DOWN WEEK IN MORE THAN A MONTH

WTI crude settled at \$49.29 on the NYMEX Friday, slipping 4.6% lower for the week. While Tropical Storm Nate put a drag on Gulf Coast oil production, traders also sensed OPEC members may retain caps on crude output through 2018.<sup>3</sup>

## STOCKS START THE QUARTER WITH GAINS

Blue chips set the pace in the first trading week of October. Across five days, the Dow Jones Industrial Average advanced 1.65% to 22,773.67. The Nasdaq Composite rose 1.45% to 6,590.18 last week, while the S&P 500 gained 1.19% to 2,549.33.<sup>4</sup>

**THIS WEEK:** Monday is Columbus Day, so many government offices are closed; Wall Street is open for trading, with no major news scheduled. Nothing major is slated for Tuesday, either. On Wednesday, minutes from last month's Federal Reserve policy meeting arrive, plus Q3 results from Fastenal. The fall earnings season kicks off Thursday with announcements from Citigroup and JPMorgan Chase; investors will also consider the September Producer Price Index and a new initial claims report. On Friday, the Street will study September's Consumer Price Index, the initial October University of Michigan consumer sentiment index, September retail sales, and earnings from Bank of America, PNC Financial Services Group, and Wells Fargo. In addition, Fed chair Janet Yellen delivers a speech on monetary policy at the G30 conference in Washington, D.C. on Sunday morning.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+15.24	+24.66	+13.47	+6.19
NASDAQ	+22.42	+24.18	+22.03	+13.70
S&P 500	+13.87	+17.98	+14.90	+6.37
REAL YIELD	10/6 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.50%	0.11%	-0.82%	2.34%

Sources: wsj.com, bigcharts.com, treasury.gov - 10/6/17<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.

**Please feel free to forward this article to family, friends or colleagues.  
If you would like us to add them to our distribution list, please reply with their address.  
We will contact them first and request their permission to add them to our list.**

Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member [FINRA/SIPC](#), a registered broker/dealer and investment advisor. CBSI is under contract with the financial institution to make securities available to members.  
**Not NCUA/NCUSIF/FDIC insured, May Lose Value, No financial institution guarantee. Not a deposit of any financial institution.**

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. The information herein has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All market indices discussed are unmanaged and are not illustrative of any particular investment. Indices do not incur management fees, costs and expenses, and cannot be invested into directly. All economic and performance data is historical and not indicative of future results. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is a market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor's 500 (S&P 500) is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®, and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions – the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. MarketingPro, Inc. is not affiliated with any person or firm that may be providing this information to you. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional.

## Citations.

- 1 - [bloomberg.com/news/articles/2017-10-06/u-s-payrolls-fall-33-000-on-storms-jobless-rate-drops-to-4-2](http://bloomberg.com/news/articles/2017-10-06/u-s-payrolls-fall-33-000-on-storms-jobless-rate-drops-to-4-2) [10/6/17]
- 2 - [foxbusiness.com/features/2017/10/04/u-s-service-sector-activity-accelerated-in-september-ism-says-2nd-update.html](http://foxbusiness.com/features/2017/10/04/u-s-service-sector-activity-accelerated-in-september-ism-says-2nd-update.html) [10/4/17]
- 3 - [marketwatch.com/story/oil-prices-mark-first-weekly-loss-in-more-than-a-month-2017-10-06](http://marketwatch.com/story/oil-prices-mark-first-weekly-loss-in-more-than-a-month-2017-10-06) [10/6/17]
- 4 - [markets.wsj.com/us](http://markets.wsj.com/us) [10/6/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F6%2F16&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F6%2F16&x=0&y=0) [10/6/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=10%2F6%2F16&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=10%2F6%2F16&x=0&y=0) [10/6/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=10%2F6%2F16&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=10%2F6%2F16&x=0&y=0) [10/6/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F5%2F12&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F5%2F12&x=0&y=0) [10/6/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=10%2F5%2F12&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=10%2F5%2F12&x=0&y=0) [10/6/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=10%2F5%2F12&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=10%2F5%2F12&x=0&y=0) [10/6/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F5%2F07&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F5%2F07&x=0&y=0) [10/6/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=10%2F5%2F07&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=10%2F5%2F07&x=0&y=0) [10/6/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=10%2F5%2F07&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=10%2F5%2F07&x=0&y=0) [10/6/17]
- 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) [10/6/17]
- 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) [10/6/17]