

*In this week's recap: Employment reports and consumer confidence are up; stock market replies favorably.*

# Weekly Economic Update

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*Presented by RTN Financial & Retirement Group, July 5, 2021*

## THE WEEK ON WALL STREET

Strong employment reports and rising consumer confidence sent the stock market broadly higher last week.

The Dow Jones Industrial Average rose 1.02%, while the Standard & Poor's 500 picked up 1.67%. The Nasdaq Composite index gained 1.94%. The MSCI EAFE index, which tracks developed overseas stock markets, lost 1.42%.<sup>1,2,3</sup>

## STOCKS RALLY

Rising conviction in the economic recovery and waning inflation worries drove stock prices higher, with the S&P 500 and Nasdaq Composite racing to record closes to begin the week.

Amid the week-long march higher, market leadership changed hands throughout the five-trading days. The leadership baton alternated between the technology and high-growth companies, which responded to lower bond yields, and cyclical stocks, which rallied on higher oil prices and successful bank stress tests.

Economic news buoyed investor sentiment as consumer confidence rose and an improving labor market—weekly initial jobless claims came in at a pandemic-era low (364,000), while employers added 850,000 new jobs in June—sent the S&P 500 and Nasdaq Composite to new record highs to close out the week.<sup>4,5</sup>

## A CONFIDENT CONSUMER

Market sentiment was lifted by a rise in The Conference Board's Consumer Confidence Index, which reached its highest level since the onset of the pandemic in March 2020. This was the fourth-straight month of increases in consumer-confidence levels.<sup>6</sup>

The consumer outlook for income, business, and labor market conditions over the short-term improved markedly. Interestingly, consumer confidence and buying intentions appear largely

unaffected by the possibility of rising inflation. In fact, the survey showed a rise in the number of consumers expecting to purchase homes, automobiles, or home appliances. Vacation intentions also rose.<sup>6</sup>

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#### TIP OF THE WEEK



*Having a baby? Be sure to double-check your health coverage to see if it covers prenatal care, various delivery options, nursery costs, and more.*

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#### THE WEEK AHEAD: KEY ECONOMIC DATA

**Tuesday:** ISM (Institute of Supply Management) Services Index.

**Wednesday:** JOLTS (Job Openings and Labor Turnover Survey) Report. FOMC (Federal Open Market Committee) minutes.

**Thursday:** Jobless Claims.

Source: Econoday, July 2, 2021

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

#### THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

**Thursday:** Helen of Troy Limited (HELE), Levi Strauss & Co. (LEVI).

Source: Zacks, July 2, 2021

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

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QUOTE OF THE WEEK

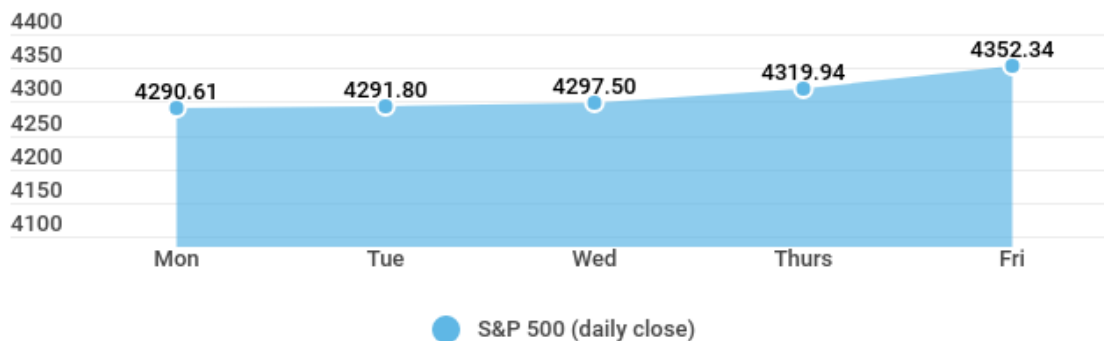



*“Fight for the things that you care about, but do it in a way that will lead others to join you.”*

*RUTH BADER GINSBURG*

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Market Index	Close	Week	Y-T-D
DJIA	34,786.35	+1.02%	+13.66%
NASDAQ	14,639.33	+1.94%	+13.59%
MSCI-EAFE	2,309.27	-1.42%	+7.53%
S&P 500	4,352.34	+1.67%	+15.87%



	Treasury	Close	Week	Y-T-D
	10-Year Note	1.44%	-0.10%	+0.51%

Sources: The Wall Street Journal, July 2, 2021; Treasury.gov, July 2, 2021

Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, June 25, to Friday, July 2, close. Weekly performance for the MSCI-EAFE is measured from Friday, June 25, open to Thursday, July 1, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

## THE WEEKLY RIDDLE



*What 11-letter word must always be spelled incorrectly?*

LAST WEEK'S RIDDLE: Can you write down eight eights so that they add up to one thousand?

ANSWER:  $888 + 88 + 8 + 8 + 8 = 1000$ .



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**Know someone who could use information like this?**

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

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The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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CITATIONS:

1. The Wall Street Journal, July 2, 2021
2. The Wall Street Journal, July 2, 2021
3. The Wall Street Journal, July 2, 2021
4. The Wall Street Journal, July 2, 2021
5. CNBC, July 2, 2021
6. The Conference Board, June 29, 2021