

WEEKLY ECONOMIC UPDATE

July 24, 2017

WEEKLY QUOTE

“Freedom is a possession of inestimable value.”

- Cicero

WEEKLY TIP

Business owners can waste hours chasing late payments. If you have clients or customers who constantly pay late, ask yourself whether keeping them is worth the headache. It may not be.

WEEKLY RIDDLE

After badly losing an away game, a college football team doesn't want their coach to come in and yell at them, so they put 1,000 pounds of weights against a locker room door to prevent him from opening it. He comes in and yells at them face-to-face anyway. Why are they unable to keep him from coming through the doorway?

Last week's riddle:

Multiply all the numbers on your phone's keypad. What number do you get?

Last week's answer:

Zero.

WILL STOCKS GET AN EARNINGS BOOST?

While the first full week of the Q2 earnings season saw no pronounced rallies, there were also no shocks. By Friday's closing bell, 20% of S&P 500 member firms had reported calendar Q2 results, and a FactSet analysis showed 77% had topped sales projections and 73% had beaten earnings-per-share forecasts – a good sign in an earnings-driven market climate. The Nasdaq Composite gained 1.19% last week and settled at 6,387.75 Friday; the S&P 500 rose to 2,472.54 after a 5-day gain of 0.54%. As blue chips fell 0.27% across five trading days, the Dow Jones Industrial Average closed at 21,580.07 Friday. All three indices hit record highs during the week.^{1,2}

CONSTRUCTION ACTIVITY SURGED IN JUNE

According to a new Census Bureau report, housing starts rose 8.3% last month, while building permits were up 7.4%. That counteracts the 2.8% fall for starts and the 4.9% drop for permits in May.³

GOLD TOPS \$1,250

Settling at \$1,254.90 Friday, the yellow metal hit its highest COMEX close since June 23, up 2.2% in five days. Silver rose 3.3% last week to a Friday close of \$16.46.⁴

THIS WEEK: On Monday, Alphabet, Anadarko Petroleum, Celanese, Halliburton, Hasbro, and Stanley Black & Decker present earnings, and Wall Street also considers June existing home sales numbers. Tuesday offers a new Conference Board consumer confidence index and earnings from 3M, AT&T, Ameriprise Financial, Amgen, Biogen, Caterpillar, Chipotle, Chubb, Domino's, Eli Lilly, Express Scripts, Freeport-McMoRan, General Motors, JetBlue, McDonald's, Mondelez, PulteGroup, Quest Diagnostics, Smart & Final, Supervalu, Texas Instruments, U.S. Steel, and Universal Health. The Federal Reserve makes a policy statement Wednesday; investors will also look at June new home sales data and earnings from Anthem, Boeing, Coca-Cola, Corning, D.R. Horton, Discover, Facebook, Ford Motor Co., General Dynamics, Gilead Sciences, Hilton Worldwide, Ingersoll-Rand, O'Reilly, PayPal, Public Storage, Rent-A-Center, Rockwell Automation, Ryder System, State Street, Waste Management, West Marine, Whirlpool, and Whole Foods. Data on initial claims and June hard goods orders appears Thursday, plus earnings from Aflac, Ally Financial, Altria Group, Amazon, Baidu, Bristol-Myers Squibb, ConocoPhillips, Dow Chemical, Dr. Pepper Snapple, Dunkin' Brands, Edison International, Expedia, Intel, Procter & Gamble, Raytheon, Revlon, Southwest Airlines, Spirit Airlines, Starbucks, Twitter, UPS, Valero Energy, Verizon, W.R. Grace, and Xerox. July's final University of Michigan consumer sentiment index and the first Q2 GDP estimate appear Friday, plus earnings from American Airlines, Chevron, ExxonMobil, Magellan Health, and Merck.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+9.20	+16.54	+13.66	+5.58
NASDAQ	+18.66	+25.89	+23.67	+13.77
S&P 500	+10.44	+14.20	+16.29	+6.12
REAL YIELD	7/21 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.48%	0.05%	-0.67%	2.60%

Sources: wsj.com, bigcharts.com, treasury.gov - 7/21/17^{2,5,6,7}

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.**

Disclosure.

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 - cnbc.com/2017/07/21/us-stocks-ge-drops-earnings-season-oil.html [7/21/17]
- 2 - markets.wsj.com/us [7/21/17]
- 3 - investing.com/economic-calendar/ [7/21/17]
- 4 - marketwatch.com/story/gold-tries-for-most-robust-weekly-rise-in-two-months-as-dollar-drops-2017-07-21 [7/21/17]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=7%2F21%2F16&x=0&y=0 [7/21/17]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=7%2F21%2F16&x=0&y=0 [7/21/17]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=7%2F21%2F16&x=0&y=0 [7/21/17]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=7%2F20%2F12&x=0&y=0 [7/21/17]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=7%2F20%2F12&x=0&y=0 [7/21/17]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=7%2F20%2F12&x=0&y=0 [7/21/17]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=7%2F20%2F07&x=0&y=0 [7/21/17]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=7%2F20%2F07&x=0&y=0 [7/21/17]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=7%2F20%2F07&x=0&y=0 [7/21/17]
- 6 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [7/21/17]
- 7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [7/21/17]