

# WEEKLY ECONOMIC UPDATE

May 8, 2017

## WEEKLY QUOTE

“All opinions are not equal. Some are a very great deal more robust, sophisticated and well supported in logic and argument than others.”

- Douglas Adams

## WEEKLY TIP

Avoid tapping your retirement accounts to help pay college costs for a child or grandchild. If you make this move, you risk damaging your own financial future in your effort to smooth theirs.

## WEEKLY RIDDLE

It is worn on the road, it is nearly always dirty, and it only comes in one color. What is it?

### Last week's riddle:

I have hands, my hands move, but you will never hear me clap. What am I?

### Last week's answer:

A clock.

## NEW DATA SHOWS MORE HIRING, LESS SPENDING

Unemployment hit a 10-year low in April as payrolls swelled with 211,000 net new jobs, a rebound from the meager gains of March. The Department of Labor's monthly report showed the headline jobless rate declining 0.1% to 4.4%; the U-6 rate measuring underemployment was at 8.6%, falling 0.3%. The latest consumer spending report from the Department of Commerce was less impressive. Personal spending was flat in March, with personal incomes up 0.2%.<sup>1,2</sup>

## ISM PMIS WENT OPPOSITE WAYS IN APRIL

America's factory sector grew at a slower rate last month than it did during March, while the country's service sector picked up its pace of expansion. The Institute for Supply Management's April purchasing manager index dipped to 54.8 from its previous 57.2 mark; ISM's non-manufacturing PMI rose 2.3 points in April to 57.5.<sup>2</sup>

## FEDERAL RESERVE LEAVES RATES ALONE

As expected, the central bank left the benchmark interest rate in the 0.75-1.00% target range last week. The Federal Open Market Committee felt that the poor economic growth of the first quarter was likely “transitory,” and in its view, economic activity should “expand at a moderate pace” with “gradual” monetary policy adjustments. On May 5, Fed futures traders put the odds of a June rate hike at 79%.<sup>3,4</sup>

## BLUE CHIPS TOP 21,000

The Dow Jones Industrial Average reached another milestone Friday, settling at 21,006.94 after rising 0.32% on the week. Slightly better 5-day performances were posted by the Nasdaq Composite (+0.88% to 6,100.76) and the S&P 500 (+0.63 to 2,399.29). Small caps lost 0.25% for the week – the Russell 2000 closed at 1,397.00 Friday. During the past five market days, the CBOE VIX retreated 2.31% to 10.57.<sup>5</sup>

**THIS WEEK:** Investors will keep an eye on France's national election Monday, and review earnings from Sysco and Tyson Foods. On Tuesday, earnings roll in from Allergan, Discovery Communications, and Valeant Pharmaceuticals. Wednesday features earnings from Dillard's, NetEase, Snap, Sotheby's, Spectra Energy, Symantec, Wendy's, and Whole Foods. Thursday offers the federal government's latest reading on wholesale inflation, a new initial jobless claims report, and earnings from Kohl's, Macy's, and Nordstrom. April retail sales and consumer inflation data appear Friday, plus the University of Michigan's initial May consumer sentiment index and earnings news from JCPenney.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+6.30	+18.95	+12.22	+5.84
NASDAQ	+13.33	+29.33	+21.27	+13.72
S&P 500	+7.17	+17.00	+15.05	+5.94
REAL YIELD	5/5 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.50%	0.13%	-0.30%	2.24%

Sources: wsj.com, bigcharts.com, treasury.gov - 5/5/17<sup>6,7,8,9</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.**

---

Registered Representative of **INVEST Financial Corporation** , Member FINRA/SIPC. INVEST and its affiliated insurance agencies offer securities, advisory services and certain insurance products and are not affiliated with Triad Wealth Management

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 - [investing.com/news/economic-indicators/u.s.-unemployment-rate-hits-10-year-low-as-job-creation-beats-consensus-480556](http://investing.com/news/economic-indicators/u.s.-unemployment-rate-hits-10-year-low-as-job-creation-beats-consensus-480556) [5/5/17]
- 2 - [marketwatch.com/economy-politics/calendars/economic](http://marketwatch.com/economy-politics/calendars/economic) [5/5/17]
- 3 - [tinyurl.com/lkrmt8w](http://tinyurl.com/lkrmt8w) [5/3/17]
- 4 - [cmegroup.com/trading/interest-rates/countdown-to-fomc.html](http://cmegroup.com/trading/interest-rates/countdown-to-fomc.html) [5/5/17]
- 5 - [markets.wsj.com/us](http://markets.wsj.com/us) [5/5/17]
- 6 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F5%2F16&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F5%2F16&x=0&y=0) [5/5/17]
- 6 - [bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F5%2F16&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F5%2F16&x=0&y=0) [5/5/17]
- 6 - [bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F5%2F16&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F5%2F16&x=0&y=0) [5/5/17]
- 6 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F4%2F12&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F4%2F12&x=0&y=0) [5/5/17]
- 6 - [bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F4%2F12&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F4%2F12&x=0&y=0) [5/5/17]
- 6 - [bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F4%2F12&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F4%2F12&x=0&y=0) [5/5/17]
- 6 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F4%2F07&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F4%2F07&x=0&y=0) [5/5/17]
- 6 - [bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F4%2F07&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F4%2F07&x=0&y=0) [5/5/17]
- 6 - [bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F4%2F07&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F4%2F07&x=0&y=0) [5/5/17]
- 7 - [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) [5/5/17]
- 8 - [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) [5/5/17]