

In this week's recap: stocks continue their win streak despite a mediocre jobs report and dips for the ISM indices; household spending and confidence rise.

Weekly Economic Update

Presented by Reap Legacy, Inc., August 6, 2018

ECONOMY ADDS 157,000 NET NEW JOBS

Employers expanded their payrolls in July, but new Department of Labor data showed the hiring pace slowing down. May and June gains, however, were revised up by a combined 59,000, bringing average monthly job growth over the past three months to 224,000. Even with fewer hires, the headline unemployment rate ticked down to 3.9%, and the U-6 rate (factoring in underemployed workers) dropped 0.3% to 7.5%, underneath where it was in July 2017. Last month, wages had improved 2.7%, year-over-year.¹

GOOD NEWS FOR CONSUMER SPENDING AND CONSUMER CONFIDENCE

Personal spending, according to the Department of Commerce, rose 0.4% during June on the heels of a 0.5% May climb. Personal incomes improved by 0.4% in June, duplicating the number from May. Beating the 127.0 forecast of analysts surveyed by MarketWatch, the Conference Board's July consumer confidence index rose 0.3 points to 127.4.²

ISM PURCHASING MANAGER INDICES DECLINE

While still in fine shape, the Institute for Supply Management's twin gauges measuring economic activity in the factory and service sectors fell last month. The Institute's manufacturing PMI went from a 60.2 June reading to a 58.1 July mark. ISM's non-manufacturing PMI lost 3.4 points on the month, heading down to 55.7.³

STOCKS ADVANCE FOR A FIFTH STRAIGHT WEEK

Up 0.76% over five trading sessions, the S&P 500 settled at 2,840.35, Friday. The Nasdaq Composite added 0.96% for the week, reaching 7,812.01 at Friday's closing bell. Blue chips were flat for the week: the Dow Industrials gained but 0.05% to 25,462.58. All three indices were

positive for Friday, even with news that China planned to levy import taxes on \$60 billion more of American exports.^{4,5}

TIP OF THE WEEK



*Usually, there is little point in trying to **negotiate a financial aid package** for a student at one university by referencing another offer made by a different school. Most colleges have tight financial aid budgets to begin with and firm award guidelines for financial aid officers to follow.*

THIS WEEK

Monday's earnings parade includes announcements from Andeavor, Boise Cascade, Hertz Global Holdings, Marriott International, Mosaic, Sempra Energy, Tyson Foods, and Weight Watchers. | Tuesday, Wall Street considers earnings from Aramark, Avis Budget Group, Camping World, Dean Foods, Discovery Channel, Hostess Brands, Invacare, Office Depot, Papa John's, Snap, Walt Disney Co., and Wendy's. | Earnings from CVS Health, Green Dot, Horizon Pharma, Keurig Dr. Pepper, Manulife, Michael Kors, Monster Beverage, Roku, Sinclair Broadcasting, Starwood Hotels & Resorts, Sunoco, TiVo, Twenty-First Century Fox, U.S. Auto Parts, Weibo, Wyndham Destinations, and Yelp appear Wednesday. | Thursday, the July Producer Price Index arrives, along with a new initial jobless claims report and earnings from Gannett, Lions Gate, News Corp., Norwegian Cruise Line, Planet Fitness, Tronc, Viacom, and Vista Outdoor. | Friday marks the appearance of the July Consumer Price Index.

QUOTE OF THE WEEK



“The greatest obstacle to discovery is not ignorance - it is the illusion of knowledge.”

DANIEL BOORSTIN

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	3.01	15.60	12.52	12.56
NASDAQ	13.16	23.21	22.35	24.18
S&P 500	6.24	14.89	13.23	12.74

REAL YIELD	8/3 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.83	0.46	0.42	1.64

Sources: wsj.com, bigcharts.com, treasury.gov - 8/3/18^{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.

THE WEEKLY RIDDLE



Gary drops an egg onto a sidewalk. The egg doesn't break after falling 3 feet. Why?

LAST WEEK'S RIDDLE: What can you feel but never touch, hear but never see?

ANSWER: The wind.

«representativename» may be reached at «representativephone» or «representativeemail»
«representativewebsite»

Know someone who could use information like this?

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

«RepresentativeEmailDisclosure»

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 - nbcnews.com/business/economy/price-rising-employment-slow-wage-growth-trade-risks-n897461 [8/3/18]
- 2 - marketwatch.com/economy-politics/calendars/economic [8/3/18]
- 3 - instituteforsupplymanagement.org/ISMReport/NonMfgROB.cfm [8/3/18]
- 4 - foxbusiness.com/markets/stock-futures-cautiously-lower-ahead-of-july-jobs-report [8/3/18]
- 5 - markets.wsj.com/us [8/3/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F3%2F17&x=0&y=0 [8/3/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=8%2F3%2F17&x=0&y=0 [8/3/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=8%2F3%2F17&x=0&y=0 [8/3/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F2%2F13&x=0&y=0 [8/3/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=8%2F2%2F13&x=0&y=0 [8/3/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=8%2F2%2F13&x=0&y=0 [8/3/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F4%2F08&x=0&y=0 [8/3/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=8%2F4%2F08&x=0&y=0 [8/3/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=8%2F4%2F08&x=0&y=0 [8/3/18]
- 7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [8/3/18]
- 8 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [8/3/18]