

# WEEKLY ECONOMIC UPDATE

October 30, 2017

## THIRD QUARTER SAW SOLID ECONOMIC GROWTH

Friday, the Bureau of Economic Analysis issued its first estimate of Q3 GDP: 3.0%. Its report showed increases in personal spending and business stockpiling offsetting a dip in home building. The economy grew 3% or more for a second straight quarter for the first time since 2014. Growth has averaged 2.2% per quarter since the end of the recession in 2009.<sup>1</sup>

## NEW HOME SALES LEAP UP

Unexpectedly, new home buying increased by 18.9% in September; the Census Bureau said that the sales pace reached a ten-year peak. The surge put the year-over-year gain for new home purchases at 17.0%.<sup>2</sup>

## CONSUMERS RETAIN THEIR OPTIMISM

The University of Michigan's consumer sentiment index finished October at 100.7, just 0.1 points beneath the forecast of economists polled by MarketWatch. That very high reading was below the initial October mark of 101.1, however.<sup>3</sup>

## NASDAQ CLIMBS 144 POINTS IN A DAY

Impressive earnings news sent the tech benchmark up 2.20% Friday to a close of 6,701.26; it gained 1.09% for the week. The S&P 500 added 0.23% last week, settling Friday at 2,581.07; the Dow Industrials rose 0.45% to 23,434.19 in the same span.<sup>4</sup>

**THIS WEEK:** Monday, September's personal spending numbers and PCE price index appear, along with earnings from CNA Financial, Edison International, Kemper, Loews, Mondelez, Nautilus, Rent-A-Center, and Semptra Energy. The Conference Board's latest consumer confidence index surfaces Tuesday, plus earnings from Aetna, Anadarko Petroleum, Archer Daniels Midland, BP, Cummins, Electronic Arts, Kellogg, MasterCard, Pfizer, Regis Corp., Under Armour, and Voya Financial. On Wednesday, a Federal Reserve policy statement, the October ADP payrolls report, and a new ISM factory PMI arrive; earnings emerge from Allergan, Allstate, Brinker International, Clorox, Estee Lauder, Facebook, Garmin, GoPro, Hanesbrands, Honda, Kraft Heinz, La Quinta Holdings, Marathon Oil, MetLife, Molson Coors, Prudential Financial, Qualcomm, Shake Shack, Symantec, Tesla, Transocean, and Yelp. Thursday's earnings parade includes Activision Blizzard, Alibaba, AMC Networks, Apple, AutoNation, CBS, Chesapeake Energy, Cigna, Exelon, Fluor, Genworth Financial, Hyatt, Live Nation, Motorola Solutions, Pandora Media, Parker-Hannifin, Ralph Lauren, Starbucks, Vulcan Materials, Wayfair, and Yum! Brands. The Department of Labor's October jobs report rolls out Friday as well as the October ISM services PMI and earnings from Bloomin' Brands, CBRE Group, Duke Energy, Revlon, and Shell Midstream Partners.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+18.58	+28.97	+15.76	+6.97
NASDAQ	+24.49	+28.48	+24.86	+13.90
S&P 500	+15.29	+21.00	+16.56	+6.81
REAL YIELD	10/27 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.54%	0.13%	-0.69%	2.05%

Sources: wsj.com, bigcharts.com, treasury.gov - 10/27/17<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.

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## Citations.

- 1 - [tinyurl.com/ybkdsjh3](http://tinyurl.com/ybkdsjh3) [10/27/17]
- 2 - [marketwatch.com/story/new-home-sales-roar-to-a-10-year-high-in-september-2017-10-25](http://marketwatch.com/story/new-home-sales-roar-to-a-10-year-high-in-september-2017-10-25) [10/25/17]
- 3 - [marketwatch.com/economy-politics/calendars/economic](http://marketwatch.com/economy-politics/calendars/economic) [10/27/17]
- 4 - [markets.wsj.com/us](http://markets.wsj.com/us) [10/27/17]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F27%2F16&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F27%2F16&x=0&y=0) [10/27/17]
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- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F26%2F12&x=0&y=0](http://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F26%2F12&x=0&y=0) [10/27/17]
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- 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) [10/27/17]
- 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) [10/27/17]