

## WEEKLY ECONOMIC UPDATE

January 29, 2018

### THE ECONOMY EXPANDED 2.6% IN Q4

The Department of Commerce's first estimate of fourth-quarter gross domestic product was 0.6% below the Q3 number, but still well above the 2.1% rate the nation has averaged in the recovery from the Great Recession. America saw 2.3% economic growth in 2017, according to the report.<sup>1</sup>

### HOME SALES RETREATED DURING THE HOLIDAYS

Winter chill possibly encouraged the decline as much as high prices and low inventory. The National Association of Realtors noted a 3.6% slump in resales in December, while the Census Bureau said that new home purchases fell 9.3% last month. Existing home sales improved 1.1% during 2017; new home sales, 8.3%.<sup>2</sup>

### OIL REBOUNDS, REACHES \$66

WTI crude advanced 4.5% in five trading days, settling at \$66.14 Friday on the NYMEX. That was its highest close in more than three years. Crude prices have risen for five of the past six weeks.<sup>3</sup>

### KEY STOCK INDICES CLIMB

Wall Street's big three performed well last week, as these advances show: Dow 30, +2.09% to 26,616.71; S&P 500, +2.23% to 2,872.97; Nasdaq Composite, +2.31% to 7,505.77. Meanwhile, the NYSE Arca Biotech benchmark rose an astounding 9.16%.<sup>4</sup>

**THIS WEEK:** Monday, December personal spending figures appear, plus earnings from Lockheed Martin and Seagate. The latest Conference Board consumer confidence index surfaces Tuesday in addition to earnings from Aetna, Ally Financial, Chubb, Corning, Electronic Arts, Harley-Davidson, McDonalds, Nucor, Pfizer, Pulte Group, Stryker, and T. Rowe Price. Wednesday, the Federal Reserve wraps up a policy meeting; the Street also considers December pending home sales, an ADP payrolls report, and earnings from Aflac, Anthem, Arcelor Mittal, AT&T, Avery Dennison, Boeing, Citrix, D.R. Horton, eBay, Facebook, Ingersoll-Rand, Eli Lilly, MetLife, Microsoft, Mondelez, PayPal, Pitney Bowes, Qualcomm, Symantec, U.S. Steel, and Xerox. ISM's January factory PMI arrives Thursday, along with earnings from Alibaba, Alphabet, Altria Group, Amazon, Amgen, Apple, AutoNation, Cigna, ConocoPhillips, DowDuPont, GoPro, Hershey, International Paper, Marathon Petroleum, MasterCard, Mattel, Motorola Solutions, Nokia, Parker Hannifin, Quest Diagnostics, Ralph Lauren, Regis, Royal Dutch Shell, Time Warner, Valero Energy, and Visa. The Department of Labor's January jobs report and the final January University of Michigan consumer sentiment index roll out Friday, plus earnings from Chevron, Clorox, Estee Lauder, ExxonMobil, Honda, Merck, Phillips 66, Sony, Sprint, and Weyerhaeuser.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+7.68	+32.42	+18.31	+11.80
NASDAQ	+8.73	+32.72	+27.66	+22.27
S&P 500	+7.45	+25.09	+18.23	+11.59
REAL YIELD	1/26 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.57%	0.43%	-0.56%	1.34%

Sources: wsj.com, bigcharts.com, treasury.gov - 1/26/18<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.**

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- 2 - [apnews.com/721aacbd0d354c2e8c4e32d6daf332da](https://apnews.com/721aacbd0d354c2e8c4e32d6daf332da) [1/25/18]
- 3 - [marketwatch.com/story/oil-takes-to-split-path-as-dollar-rally-fades-2018-01-26](https://www.marketwatch.com/story/oil-takes-to-split-path-as-dollar-rally-fades-2018-01-26) [1/26/18]
- 4 - [markets.wsj.com/us](https://markets.wsj.com/us) [1/26/18]
- 5 - [bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=1%2F26%2F17&x=0&y=0](https://bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=1%2F26%2F17&x=0&y=0) [1/26/18]
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