

WEEKLY ECONOMIC UPDATE

May 15, 2017

WEEKLY QUOTE

“Let yourself be silently drawn by the strange pull of what you really love. It will not lead you astray.”

- Rumi

WEEKLY TIP

Your retirement may last 20 years or longer. So, while you might want to invest more conservatively with age, you may not want to abandon equity investments that give you the potential to grow your savings at a rate faster than inflation.

WEEKLY RIDDLE

I am an 8-letter word beginning with s and ending with g, you can make 7 more words by subtracting one letter at a time from me. What word am I?

Last week's 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 answer:

A tire.

A SOLID RETAIL SALES READING

Americans bought more in April. The pace of retail purchases hastened by 0.4% last month, and the Bureau of Economic Analysis revised the 0.2% March retreat into a 0.1% gain. Headline retail sales were up 4.5% across the 12 months ending in April. Core retail sales rose 0.3% in the fourth month of the year.^{1,2}

INFLATION PICKS UP AS SPRING ARRIVES

After falling 0.3% for March, the Consumer Price Index rose 0.2% last month. (The major factor: a 1.1% leap for energy costs.) This increase left annualized inflation at 2.2%. The core CPI (minus food and energy prices) advanced 0.1% in April. On the wholesale front, the Producer Price Index jumped up 0.5% in April, taking its year-over-year advance to 2.5%.^{1,2}

A GAIN FOR A CONSUMER SENTIMENT INDEX

The University of Michigan's monthly barometer of household sentiment rose 0.7 points in its preliminary May reading to a mark of 97.7. Its consumer expectations component advanced 1.1 points to a reading of 88.1.²

MAJOR INDICES RIDE THROUGH A MIXED WEEK

Earnings misses from big retailers weighed on the S&P 500, which declined 0.35% across five trading sessions to a 2,390.90 Friday close. The Dow Jones Industrial Average gave back 0.53% in the same time frame, ending the week at 20,896.61. The Nasdaq Composite, however, advanced 0.34% last week to 6,121.23. At the closing bell Friday, all three indices were up 2.1% or more for the month.³

THIS WEEK: Monday, Cumulus Media presents Q1 results. Dick's Sporting Goods, Home Depot, Jack in the Box, Red Robin, Staples, TJX Companies, Urban Outfitters, and Weibo announce earnings Tuesday, as investors also consider data on April industrial output, housing starts, and building permits. On Wednesday, the earnings parade features American Eagle Outfitters, Cisco, L Brands, Stein Mart, and Target. Thursday, Wall Street looks at the Department of Labor's latest initial jobless claims numbers, the Conference Board's April leading indicators index, and earnings from Alibaba, Applied Materials, Autodesk, Gap, Perry Ellis, Ralph Lauren, Ross Stores, Stage Stores, and Walmart. Earnings announcements from Campbell Soup, Deere, and Foot Locker arrive Friday.

| % CHANGE | Y-T-D | 1-YR CHG | 5-YR AVG | 10-YR AVG |
|------------|-----------|----------|-----------|------------|
| DJIA | +5.74 | +17.92 | +12.60 | +5.68 |
| NASDAQ | +13.71 | +29.21 | +21.73 | +13.89 |
| S&P 500 | +6.79 | +15.83 | +15.33 | +5.88 |
| REAL YIELD | 5/12 RATE | 1 YR AGO | 5 YRS AGO | 10 YRS AGO |
| 10 YR TIPS | 0.49% | 0.15% | -0.28% | 2.30% |

Sources: wsj.com, bigcharts.com, treasury.gov - 5/12/17^{3,4,5,6}

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.**

Gary D. Case, CFP® Cornerstone Financial Planning 218 12th Avenue Road Nampa, ID 83686 Office: (208) 466-1971 Mobile: (208) 371-7368 Fax: (888) 589-4667 Home: (208) 461-1412 email: gary@idwm.net Web address: www.idwm.net Facebook: <https://www.facebook.com/pages/Cornerstone-Financial-Planning/175474675812677?ref=hl> Twitter: @garyidwm
LinkedIn: https://www.linkedin.com/profile/view?id=91567685&trk=nav_responsive_tab_profile Registered Representative, Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Investment Advisor Representative, Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Cambridge and Cornerstone Financial Planning are not affiliated. The information in this email is confidential and is intended solely for the addressee. If you are not the intended addressee and have received this email in error, please reply to the sender to inform them of this fact. We cannot accept trade orders through email. Important letters, email, or fax messages should be confirmed by calling (208) 466-1971. This email service may not be monitored every day, or after normal business hours. This message distributed via use of the MarketingPro system.

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 - thetstreet.com/story/14132954/1/s-amp-p-500-dow-decline-after-retail-sales-rebound-buoys-rate-hike-odds.html [5/12/17]
- 2 - investing.com/economic-calendar/ [5/12/17]
- 3 - markets.wsj.com/us [5/12/17]
- 4 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F12%2F16&x=0&y=0 [5/12/17]
- 4 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F12%2F16&x=0&y=0 [5/12/17]
- 4 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F12%2F16&x=0&y=0 [5/12/17]
- 4 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F11%2F12&x=0&y=0 [5/12/17]
- 4 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F11%2F12&x=0&y=0 [5/12/17]
- 4 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F11%2F12&x=0&y=0 [5/12/17]
- 4 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=5%2F11%2F07&x=0&y=0 [5/12/17]
- 4 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=5%2F11%2F07&x=0&y=0 [5/12/17]
- 4 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=5%2F11%2F07&x=0&y=0 [5/12/17]
- 5 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [5/12/17]
- 6 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [5/12/17]