



Don Akridge Presents

# WEEKLY ECONOMIC UPDATE

May 21, 2018

## WEEKLY QUOTE

“The heart has its reasons which reason knows nothing of.”

- Blaise Pascal

## WEEKLY TIP

Yes, you could file for Social Security at 62, as soon as you are eligible. It might pay to wait, however. The size of your monthly payment will grow by about 8% for every year you hold off claiming benefits through age 70.

## WEEKLY RIDDLE

They come at night without being called. They are lost in the day without being stolen. What are they?

**Last week's riddle:**  
I grind my feet upon the earth, my forward motion supported by a metal hearth. What I call food and drink was left behind by changes made in an ancient time. What am I?

**Last week's answer:**  
An automobile.

## RETAIL SALES RISE ANOTHER 0.3%

April's advance remained at that level, even with car and truck sales removed. It paled compared to the 0.8% March gain reported by the Department of Commerce, but it matched the consensus forecast of economists surveyed by MarketWatch.<sup>1</sup>

## APRIL SAW LESS GROUNDBREAKING

An 11.3% drop for apartment construction set the pace of overall housing starts back 3.7% last month, Department of Commerce data noted.<sup>2</sup>

## HOME LOAN RATES REACH 7-YEAR HIGH

According to Freddie Mac, the mean interest rate for a 30-year, fixed-rate mortgage last week was 4.61%. That exceeds any number seen since May 2011. Redfin says that the median existing home sold in April spent only 36 days on the market, a sign that buyers have rushed to close quickly before rates climb higher.<sup>3</sup>

## RUSSELL 2000 MAKES HISTORY

The small-cap benchmark notched its third straight record close on Friday, settling at 1,626.63 and rising 1.23% for the week. Blue chips lost 0.47% in five days, with the Dow Jones Industrial Average slipping to 24,715.09 at Friday's close. The S&P 500 settled 0.54% lower for the week at 2,712.97, and the Nasdaq Composite lost 0.66% in five days, finishing Friday's trading session at 7,354.34. Through Friday, the big three were all at least 1% higher for the month. Oil ended the week at \$71.35 on the NYMEX.<sup>4,5</sup>

**THIS WEEK:** Nothing major is scheduled for Monday. Advance Auto Parts, AutoZone, Container Store, Cracker Barrel, Hewlett Packard Enterprise, Intuit, Kohl's, TJX Companies, Toll Brothers, and Urban Outfitters all present earnings Tuesday. April new home sales figures, minutes from this month's Federal Reserve policy meeting, and earnings from L Brands, Lowe's, NetApp, Ralph Lauren, Stein Mart, Target, and Williams-Sonoma attract Wall Street's attention Wednesday. On Thursday, investors react to earnings news from Best Buy, Gap, Hormel Foods, Lionsgate, Medtronic, Ross Stores, Royal Bank of Canada, Shoe Carnival, Stage Stores, TD Bank, and Toro, along with April existing home sales data and a new initial jobless claims report. Friday, the University of Michigan's final May consumer sentiment index arrives, along with a report on April durable goods orders and earnings from Foot Locker; additionally, Fed chair Jerome Powell joins a panel discussion at a central banking conference in Sweden.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-0.02	+19.61	+12.19	+8.97
NASDAQ	+6.53	+21.46	+22.04	+19.23
S&P 500	+1.47	+14.68	+12.54	+9.02
<b>REAL YIELD</b>	5/18 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.91%	0.43%	-0.31%	1.36%

Sources: wsj.com, bigcharts.com, treasury.gov - 5/18/18<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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*Don B. Okridge*

**MBA, CFP®, CPA/PFS**

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**Ravine One • 245 Town Park Drive | Suite 440 | Kennesaw, GA 30144**

**Telephone: 770-952-6707 | Fax: 678-391-9355**

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## Citations.

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