



Don Akridge Presents

In this week's recap: consumer optimism increases, the retail sales pace slows, inflation pressure weakens, and Wall Street sees wide-ranging gains.

Weekly Economic Update

September 17, 2018

CONSUMER SENTIMENT EXCEEDS EXPECTATIONS

In its initial September edition, the University of Michigan's monthly consumer sentiment index rose 4.6 points to 100.8, a 6-month high. Economists polled by Bloomberg had forecast a reading of 96.6. Fifty-six percent of households responding to the survey said that they had made recent financial gains; the all-time high for the survey is 57%, recorded in both March 2018 and February 1998. The index's future expectations gauge reached a 14-year peak of 91.1.¹

RETAIL SALES ALMOST FLAT IN AUGUST

The 0.1% August advance was the smallest monthly gain since February. Core retail purchases (which exclude the automotive, food, and home improvement categories) rose by the same amount. The Department of Commerce did revise the July numbers upward: the overall retail sales increase in that month went to 0.7%; the core retail sales gain, to 0.8%.²

ANNUALIZED INFLATION DECREASES

August's Consumer Price Index shows 12-month inflation at 2.7%, down from 2.9%. Yearly core inflation retreated similarly, lessening from 2.4% to 2.2% last month. The headline CPI rose 0.2% in August; the core CPI, 0.1%. Both the headline and core Producer Price Index declined 0.1% in August, significantly reducing their annualized gains. Twelve-month wholesale inflation shrank 0.5% to 2.8%, while yearly core wholesale inflation retreated to 2.3% from 2.7%.³

A POSITIVE FIVE DAYS FOR EQUITIES

All three major stock indices advanced last week. The Dow Industrials gained 0.92% to reach 26,154.67 at Friday's close. Settling at 8,010.04 Friday, the Nasdaq Composite was up 1.36% for the week. The S&P 500 improved 1.16% to 2,904.98. The main barometer of Wall Street volatility, the CBOE VIX, fell 18.88% for the week to 12.07.⁴

TIP OF THE WEEK



*If you recently received a promotion or raise, **you need not spend more money simply because you have it.** Counter the temptation to buy this or that with the question **“Do I really need this?”** Living within your means could leave you with more money to save and invest for the future.*

THIS WEEK

FedEx announces earnings Monday. | AutoZone, Cracker Barrel, and General Mills present earnings Tuesday. | On Wednesday, the Census Bureau provides a snapshot of August residential construction activity, and Red Hat reports quarterly results. | Investors consider August existing home sales numbers, a new initial jobless claims report, and earnings from Darden Restaurants, Micron Technology, Steelcase, and Thor Industries on Thursday. | Nothing major is slated for Friday.

QUOTE OF THE WEEK



*“The **greatest pleasure** in life is doing what people say you cannot do.”*

WALTER BAGEHOT

| % CHANGE | Y-T-D | 1-YR CHG | 5-YR AVG | 10-YR AVG |
|----------|-------|----------|----------|-----------|
| DJIA | 5.81 | 17.80 | 14.02 | 13.96 |
| NASDAQ | 16.03 | 24.59 | 23.04 | 26.74 |
| S&P 500 | 8.65 | 16.40 | 14.42 | 14.36 |

| REAL YIELD | 9/14 RATE | 1 YR AGO | 5 YRS AGO | 10 YRS AGO |
|------------|-----------|----------|-----------|------------|
| 10 YR TIPS | 0.89 | 0.35 | 0.80 | 1.70 |

Sources: wsj.com, bigcharts.com, treasury.gov - 9/14/18^{4,5,6,7}

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



*It takes a crew of eight workers **four hours** to dig a 30' hole in the ground. **How long** would it take them to dig half a hole?*

LAST WEEK'S RIDDLE: *What is long and narrow, yet can look far and wide?*

ANSWER: *A telescope.*

Don B. Okridge

MBA, CFP®, CPA/PFS

Registered Representatives of Cambridge Investment Research, Inc.

U.S. Marine Corps Veteran

Emory University & Florida Atlantic University

Comprehensive CPA & Wealth Management

Investment & Securities Licenses - 7 & 66

Insurance & Annuity Licenses - Variable, Life & Health

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

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

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer, member FINRA / SIPC. Advisory services through Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser. Cambridge and Citadel / Citadel Professional Services are not affiliated.

CONFIDENTIALITY NOTICE: The information contained in this email and any attachments are confidential and may also be privileged and is intended for the use of the person(s) named above. If you are not the intended recipient, you are hereby notified that any dissemination or duplication of the email, or taking action in reliance upon this communication is strictly prohibited. Moreover, any such disclosure shall not compromise or waive the accountant-client, attorney-client, or any other privileges as to this communication or otherwise. If you have received this communication in error, please notify the sender immediately and delete the original message

PLEASE NOTE: We cannot accept trade orders through email. Important letters, email, or fax messages should be confirmed by calling 770-952-6707. This email service may not be monitored every day, or after normal business hours

Know someone who could use information like this?

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

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 - bloomberg.com/news/articles/2018-09-14/u-s-consumer-sentiment-rises-to-six-month-high-above-estimate [9/14/18]
- 2 - cnbc.com/2018/09/14/us-retail-sales-august-2018.html [9/14/18]

- 3 - investing.com/economic-calendar/ [9/14/18]
- 4 - markets.wsj.com/us [9/14/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F14%2F17&x=0&y=0 [9/14/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F14%2F17&x=0&y=0 [9/14/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F14%2F17&x=0&y=0 [9/14/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F13%2F13&x=0&y=0 [9/14/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F13%2F13&x=0&y=0 [9/14/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F13%2F13&x=0&y=0 [9/14/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F15%2F08&x=0&y=0 [9/14/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F15%2F08&x=0&y=0 [9/14/18]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F15%2F08&x=0&y=0 [9/14/18]
- 6 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [9/14/18]
- 7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [9/14/18]