

In this week's recap: the Nasdaq reaches new heights, consumer confidence and spending numbers impress, and a new trade deal could take the place of NAFTA.

Weekly Economic Update

Presented by Bob Hampton, CPA/PFS, ChFC, September 3, 2018

OPTIMISM REIGNS ON MAIN STREET

In August, the Conference Board's respected consumer confidence index made a remarkable leap, rising 5.5 points to 133.4. This was its highest reading in almost 18 years. (Economists surveyed by Briefing.com forecast an August reading of 126.5.) The University of Michigan's consumer sentiment index also improved in its final August edition, ending the month at a mark of 96.2, 0.9 points above its preliminary reading.^{1,2}

STRONG SHOWING FOR PERSONAL SPENDING, IMPROVEMENT FOR Q2 GDP

Households boosted their outlays by 0.4% in July, according to the Department of Commerce. The seventh month of the year also saw a 0.3% gain in personal incomes. In June, both indicators displayed an advance of 0.4%. The Department also issued its first revision to second-quarter economic growth last week, taking the number up 0.1% to an even stronger 4.2%.¹

WILL NAFTA BE REPLACED NEXT YEAR?

Last week, the U.S., Mexico, and Canada progressed toward a new trade deal that would supplant the North American Free Trade Agreement. The proposed new accord, which would be in place for the next 16 years and reviewed every six years, stipulates that 75% of the value of a vehicle sold in North America must be produced in either America, Canada, or Mexico, up from 62.5%. It would require Mexico to put higher wages in place for workers, while keeping Mexican farm exports free from U.S. tariffs. By law, President Trump must give Congress 90 days of notice prior to signing any new trade deal. The Trump administration urged Canada to join the new agreement by September 1, but it actually has until the end of this month to submit a fully detailed trade pact to Congress for review. Capitol Hill lawmakers are unlikely to vote on the deal until mid-2019.^{3,4}

NASDAQ PUSHES PAST 8,000

Another week, another market milestone: the tech benchmark settled at 8,109.68 Wednesday, a record. It ended the week just a hair lower at 8,109.54, advancing 2.06% in five trading sessions. Up 0.93% for the week, the S&P 500 closed out August at 2,901.52. Rising 0.68% in five days, the Dow Industrials finished the month at 25,964.82.^{5,6}

TIP OF THE WEEK



*Retirement plans should be **updated with time**. As your financial situation changes, your plan should **change and evolve**.*

THIS WEEK

Monday is Labor Day, so Wall Street has the day off. | The Institute for Supply Management's August manufacturing PMI appears Tuesday. | Nothing major is scheduled for Wednesday. | ADP's August payrolls report, the latest Challenger job-cut numbers, a fresh Department of Labor initial jobless claims snapshot, and a new ISM service sector PMI all surface Thursday. | On Friday, the Department of Labor presents its August employment report.

QUOTE OF THE WEEK



"Look before you leap."

AESOP

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	5.04	18.30	15.06	12.54
NASDAQ	17.47	26.15	25.18	24.52
S&P 500	8.52	17.39	15.54	12.71

REAL YIELD	8/31 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.78	0.36	0.68	1.68

Sources: wsj.com, bigcharts.com, treasury.gov - 8/31/18^{6,7,8,9}

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 can hurt and make people bleed, but in **another environment**, its smaller version can also be instrumental in making them well. **What is it?***

LAST WEEK'S RIDDLE: It drapes the hills in white, it does not swallow, but it does bite. What is it?

ANSWER: Frost.

Bob Hampton may be reached at 817-921-5656 or bob@impartfinancial.com
www.impartfinancial.com

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.)

Investment advisory services offered through Impart Financial, LLC

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 - briefing.com/investor/calendars/economic/2018/08/27-31 [8/31/18]
- 2 - cbsnews.com/news/consumer-confidence-hits-18-year-high/ [8/28/18]
- 3 - reuters.com/article/us-trade-nafta-factbox/winners-and-losers-from-the-new-nafta-deal-idUSKCN1LF209 [8/30/18]
- 4 - washingtonpost.com/business/2018/08/30/friday-isnt-real-deadline-nafta [8/30/18]
- 5 - tinyurl.com/y7gfl9dq [8/31/18]
- 6 - markets.wsj.com/us [8/31/18]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F31%2F17&x=0&y=0 [8/31/18]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=8%2F31%2F17&x=0&y=0 [8/31/18]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=8%2F31%2F17&x=0&y=0 [8/31/18]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=8%2F30%2F13&x=0&y=0 [8/31/18]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=8%2F30%2F13&x=0&y=0 [8/31/18]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=8%2F30%2F13&x=0&y=0 [8/31/18]

7 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F2%2F08&x=0&y=0 [8/31/18]

7 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F2%2F08&x=0&y=0 [8/31/18]

7 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F2%2F08&x=0&y=0 [8/31/18]

8 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [8/31/18]

9 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [8/31/18]