

WEEKLY ECONOMIC UPDATE

October 3, 2016

WEEKLY QUOTE

“Our greatest glory is not in never falling, but in getting up every time we do.”

- Confucius

WEEKLY TIP

Some pension plans let retirees choose between smaller lifelong income payments or a large lump sum. If one or both spouses are in line to receive pensions, a couple should at least explore some of the possibilities for lump sum investment.

WEEKLY RIDDLE

What jumps higher than a building?

Last week's riddle:

How can you take three toothpicks and make them into the number nine?

Last week's answer:

Use three toothpicks, placing one straight and two across one another, to make the Roman numeral nine (IX).

NO ADVANCE IN CONSUMER SPENDING

Personal spending was flat in August even as personal incomes rose 0.2%. These numbers from the Department of Commerce fell short of expectations: economists polled by MarketWatch had forecast a 0.2% gain in both categories. In other news linked to consumer spending, the federal government revised second-quarter GDP up to 1.4% in its third estimate; it had previously put Q2 growth at 1.1%.¹

HOUSEHOLD CONFIDENCE IMPROVES

September brought a big jump in the Conference Board's closely watched consumer confidence index, which rose 3.0 points to 104.1. The University of Michigan's consumer sentiment index ended September at 91.2, up from 89.8 at the end of August; the main factor in that gain was an improved outlook among higher-income households.^{1,2}

NEW HOME SALES DIP 7.6%

This housing indicator tends to be very volatile, and this August retreat follows a 13.8% July advance. The median new home price was down 5.3% in August from a year earlier, the Census Bureau noted. Looking at other real estate data, the July edition of the 20-city S&P/Case-Shiller home price index showed a 5.0% annual increase in existing home values, ticking down from 5.1% in June; the National Association of Realtors said that pending home sales fell 2.4% in August.^{1,3}

MINOR GAINS IN A WEEK OF MAJOR UPS & DOWNS

The last week of September saw the three major U.S. equity indices advance. The Dow Jones Industrial Average rose 0.26%; the S&P 500 gained 0.17%; and the Nasdaq Composite added 0.12%. The September 30 settlements: Dow, 18,308.15; S&P, 2,168.27; Nasdaq, 5,312.00.⁴

THIS WEEK: Monday offers ISM's September manufacturing PMI and quarterly results from The Container Store. Tuesday, Wall Street considers earnings from Darden Restaurants and Micron Technology. On Wednesday, ISM releases its September service sector PMI; ADP issues its September payrolls report; data on August factory orders appears; and Constellation Brands, Monsanto, and Yum! Brands announce earnings. In addition to a new initial jobless claims report, Thursday brings the latest Challenger job-cut data and Q3 results from Ruby Tuesday. Friday, the focus turns to the Department of Labor's September jobs report.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+5.07	+12.43	+13.55	+5.68
NASDAQ	+6.08	+14.97	+23.98	+13.52
S&P 500	+6.08	+12.93	+18.33	+6.23
REAL YIELD	9/30 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.00%	0.65%	0.17%	2.27%

Sources: wsj.com, bigcharts.com, treasury.gov - 9/30/16^{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.

**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.**

Ellen Dorle, CFP Dorle Financial, LLC 7957 Olentangy River Road Columbus, OH 43235
edorle@ellendorle.com www.ellendorle.com 614-880-0064 Fax: 614-880-0067

Securities offered thru Sterne Agee Financial Services, Inc., member [FINRA/SIPC](#) Advisory services offered thru Sterne Agee Investment Advisor Services, Inc.
Securities and advisory activities supervised from 4407 Belmont Ave. Youngstown, OH 44505 [800-589-2023](#)

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. 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. 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 indices are unmanaged and are not illustrative of any particular investment. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is an unmanaged, 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 an unmanaged group of securities considered to be representative of the stock market in general. It is not possible to invest directly in an index. 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. Past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. All economic and performance data is historical and not indicative of future results. Market indices discussed are unmanaged. Investors cannot invest in unmanaged indices. 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 - marketwatch.com/economy-politics/calendars/economic [9/30/16]
- 2 - sca.isr.umich.edu [9/30/16]
- 3 - latimes.com/business/la-fi-new-home-sales-20160926-snap-story.html [9/26/16]
- 4 - markets.wsj.com/us [9/30/16]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F30%2F15&x=0&y=0 [9/30/16]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F30%2F15&x=0&y=0 [9/30/16]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F30%2F15&x=0&y=0 [9/30/16]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F30%2F11&x=0&y=0 [9/30/16]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F30%2F11&x=0&y=0 [9/30/16]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F30%2F11&x=0&y=0 [9/30/16]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=9%2F29%2F06&x=0&y=0 [9/30/16]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=9%2F29%2F06&x=0&y=0 [9/30/16]
- 5 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=9%2F29%2F06&x=0&y=0 [9/30/16]
- 6 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [9/30/16]
- 7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [9/30/16]