

# WEEKLY ECONOMIC UPDATE

July 20, 2015

## WEEKLY QUOTE

“Have regard for your name, since it will remain for you longer than a great store of gold.”

- Ecclesiasticus

## WEEKLY TIP

Savings should be the bedrock of any college financing strategy, not gifts, student loans or student income.

## WEEKLY RIDDLE

Live without it and you will not prevail, but if you have too much of it, you will surely fail. What is it?

## Last week's riddle:

Jacque and her daughter Amanda walk past a man in a café. Amanda says “Hello, father” – and a split-second later, so does Jacque. How are they both able to make this remark to him without any confusion or embarrassment?

## Last week's answer:

The man is a priest.

## CONSUMER & WHOLESALE PRICES INCREASE

The Labor Department announced a 0.3% June rise in the headline Consumer Price Index, following the 0.4% advance for May. This left annualized consumer inflation positive for the first time in six months (+0.1%). June brought a 0.2% gain for the core CPI, which is now up 1.8% across the past year. Last month also saw the Producer Price Index ascend 0.4%; in May, it climbed 0.5%.<sup>1,2</sup>

## HOUSEHOLD SENTIMENT, RETAIL SALES COOL

Retail sales fell 0.3% last month after a 1.0% rise in May, according to the Commerce Department. Analysts polled by MarketWatch felt sales would pick up 0.2% in June. The University of Michigan's initial July consumer sentiment index slipped 2.8 points to a 93.3 reading.<sup>2</sup>

## LAST MONTH SAW A JUMP IN CONSTRUCTION

Census Bureau data showed housing starts up 9.8% in June. Building permits rose 7.4% to an 8-year peak; permits for single-family homes hit a 7½-year high.<sup>3</sup>

## GREEK DEBT DEAL, EARNINGS TAKE STOCKS NORTH

Upside surprises and the approval of a third Greek bailout by European leaders led to impressive weekly gains for the major indices. The S&P 500 rose 2.41% to 2,126.64, the Dow 1.84% to 18,086.45 and the Nasdaq 4.25% to 5,210.14.<sup>4</sup>

**THIS WEEK:** Monday's earnings reports: Halliburton, Hasbro, HealthStream, Morgan Stanley and Unisys. Tuesday's earnings: Apple, Microsoft, Hanesbrands, BoNY Mellon, Chipotle, Yahoo!, GoPro, Harley-Davidson, Kaiser Aluminum, Lexmark, Lockheed Martin, Fifth Third, Manpower, Skechers, and Travelers Companies. Wednesday offers June existing home sales and earnings from Abbott Labs, Altera, American Express, Ameriprise Financial, AutoNation, Boeing, SanDisk, Cheesecake Factory, Coca-Cola, Discover, Dolby Labs, Equifax, Northern Trust, Owens Corning, Qualcomm, Royal Caribbean, Six Flags, Smart & Final, Texas Instruments, Whirlpool, Tupperware, and United Rentals. Thursday offers the Conference Board LEI, a new initial claims report and earnings from 3M, Ace Hardware, Alaska Airlines, Amazon, AT&T, BJ's, Boise Cascade, Capital One, Caterpillar, Celgene, Chubb, Bristol-Myers Squibb, Comcast, CoreLogic, Dow Chemical, Dr. Pepper Snapple, Eli Lilly, E\*TRADE, Dunkin' Brands, GM, Invacare, Kimberly-Clark, Macerich, McDonald's, Pandora, PulteGroup, Quest Diagnostics, Raytheon, Southwest Airlines, Starbucks, T. Rowe Price, TripAdvisor, Under Armour, Union Pacific, VISA, and Waste Management. Friday brings June new home sales plus earnings from American Airlines, Biogen, Spirit Airlines, and Xerox.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+1.48	+6.54	+15.82	+7.10
NASDAQ	+10.01	+19.40	+27.82	+14.29
S&P 500	+3.29	+8.61	+19.94	+7.42
REAL YIELD	7/17 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.51%	0.24%	1.25%	1.98%

Sources: wsj.com, bigcharts.com, treasury.gov - 7/17/15<sup>5,6,7,8</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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## Citations.

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- 3 - [fxstreet.com/news/forex-news/article.aspx?storyid=c7fac744-9b01-4e72-9558-09281f70d6e7](http://fxstreet.com/news/forex-news/article.aspx?storyid=c7fac744-9b01-4e72-9558-09281f70d6e7) [7/17/15]
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