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## Markets Start Second-Half Slow

**WEEKLY UPDATE - JULY 10, 2017**

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As the country celebrated the Fourth of July last week, the markets experienced some volatility, though they finished a bit flat overall.<sup>[1]</sup> The Dow fell then rose to close the week up 0.30%.<sup>[2]</sup> The S&P 500 climbed a modest 0.07% for the week, and the NASDAQ finished the week up 0.21%.<sup>[3]</sup> The MSCI EAFE fell 0.48%.<sup>[4]</sup>

Internationally, European markets posted soft gains on Friday, though emerging markets fell for a second-straight week.<sup>[5]</sup> Further, gold dropped to a 5-month low, while bond yields rose globally on weakening bond markets.<sup>[6]</sup> In addition, world leaders met last week at the G20 Global Summit and issued a statement supporting open markets. They agreed to fight unfair trade practices, such as countries blocking or heavily taxing imports to protect domestic industries.<sup>[7]</sup>

### A Closer Look at U.S. Market News

- **Auto Sales Continue to Drop:** Auto sales dropped in June by 3% from a year ago. Though vehicle sales are still generally high, numbers in the second half of 2017 are expected to remain soft.<sup>[8]</sup>
- **Employment Numbers Give Mixed Signals:** Payroll growth rose a strong 222,000, exceeding expectations of 170,000. The employment growth numbers, along with continuing low unemployment figures, reflect a high demand for workers. However, wage growth remains low at an annual rate of 2.5%.<sup>[9]</sup>
- **Inflation Stays Weak:** Inflation came in at a weak 1.4% in May, staying well below the Fed's target of 2.0%. Despite weak inflation numbers, the Fed appears committed to raise interest rates one more time this year.<sup>[10]</sup>

- **Manufacturing Rises and Falls:** The PMI manufacturing index closed at a low 52.0, down from May's 52.7 on weak cost pressures and selling prices.<sup>[11]</sup> Meanwhile, some good news emerged: The ISM manufacturing index surprised expectations of 55.1 and rose to 57.8 - the strongest number since August 2014.<sup>[12]</sup>
- **Oil Prices Continue to Slump:** Oil dropped to \$44.33 per barrel on continuing oversupply concerns.<sup>[13]</sup> The week's price erosion comes after a 14% drop in the first half of 2017.<sup>[14]</sup>

## A Look Ahead

On Friday, July 14, key economic data will emerge such as consumer price index, retail sales, and consumer sentiment.<sup>[15]</sup> As we look to the second half of 2017, a variety of developments could boost markets: strong corporate earnings, strengthening wage rates, and growing global trade and Gross Domestic Products (GDPs).<sup>[16]</sup>

We want to remind you to avoid letting geopolitical ups and downs sway your investment focus. Instead, stay tuned to the fundamentals as you work toward your long-term goals. Feel free to contact us for any perspectives that can help you make sense of your financial life.

## ECONOMIC CALENDAR

**Tuesday:** Job Openings and Labor Turnover Survey (JOLTS)

**Wednesday:** Beige Book

**Thursday:** Jobless Claims

**Friday:** Consumer Price Index, Retail Sales, Industrial Production, Business Inventories, Consumer Sentiment

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DATA AS OF 7/7/2017	1 WEEK	SINCE 1/1/17	1 YEAR	5 YEAR	10 YEAR
STANDARD & POOR'S 500	0.07%	8.32%	15.60%	12.35%	4.71%
DOW	0.30%	8.36%	19.66%	10.89%	4.64%
NASDAQ	0.21%	14.30%	26.17%	15.94%	8.72%
INTERNATIONAL	-0.48%	11.29%	18.38%	5.80%	-2.03%
DATA AS OF 7/7/2017	1 MONTH	6 MONTHS	1 YEAR	5 YEAR	10 YEAR
TREASURY YIELDS (CMT)	0.94%	1.14%	1.22%	1.95%	2.39%

Notes: All index returns (except S&P 500) exclude reinvested dividends, and the 5- year and 10-year returns are annualized. The total returns for the S&P 500 assume reinvestment of dividends on the last day of the month. This may account for differences between the index returns published on Morningstar.com and the index returns published elsewhere. International performance is represented by the MSCI EAFE Index. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly.

## QUOTE OF THE WEEK



*"Courage is not simply one of the virtues,  
but the form of every virtue at the testing point."*

C.S. Lewis

## RECIPE OF THE WEEK



### Slow-Cooked Teriyaki Ribs



Serves 4

#### Ingredients:

- 1 large rack baby back ribs (2 ½ pounds), sliced into two chunks
- ½ tsp black pepper
- ⅔ cup teriyaki sauce
- 1 TBSP balsamic vinegar
- 2 cloves garlic, pressed
- Coleslaw
- Sesame seeds

#### Directions:

1. Sprinkle pepper all over ribs.
2. Pour ⅓ cup of teriyaki sauce into the slow cooker, and add ribs.
3. Cover ribs with lid and cook on high for 4 hours (7 hours if cooking on low) or until tender.
4. Cut ribs into pieces, once cooked.
5. In a saucepan over medium-high heat, simmer, uncovered, rest of teriyaki sauce, balsamic vinegar, and garlic. Cook for 5 minutes.
6. Brush sauce onto ribs.
7. Serve by garnishing ribs with sesame seeds and adding a side of coleslaw.

## TAX TIPS

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### How to Deduct Losses from a Disaster\*

When a natural disaster damages taxpayers' homes or personal properties, they typically can deduct expenses on their federal tax return. Taxpayers who live in a federal-disaster-designated location, may be able to reclaim losses more quickly.

Here are some tips for deducting losses from a disaster:

- **File Form 4684:** To claim your deduction, complete and file [Form 4684, Casualties and Thefts](#).
- **Deduct for Correct Year:** You will need to claim your deduction for the tax year you experienced damages from a natural disaster. You also can deduct from an original or amended tax return for the immediately prior year.
- **Make an Insurance Claim:** In order to deduct your losses, you will need to file a timely claim with your insurance provider. If you do not file your claim or have insurance coverage to do so, you will not be able to deduct the loss from your tax return.

Other details may apply, and you can find more information on [the IRS website](#).

\* This information is not intended to be a substitute for specific individualized tax advice. We suggest you discuss your specific tax issues with a qualified tax advisor.

Tip courtesy of IRS.gov<sup>[18]</sup>

## GOLF TIP



### Correct Your Shank to Improve Your Swing

Shanking your ball is the bane of golfers everywhere, no matter their skill level. This detrimental miss results from pushing the club forward and away from your body when you swing by  $\frac{1}{2}$  to  $\frac{3}{4}$  inches. Fortunately, small corrections can help you make huge gains. Follow these tips to correct your shank.

#### Tip 1: Head Cover

- Place your head cover about an inch outside of the ball.
- Swing your club with one goal: Do not hit the head cover.

This move encourages you to draw from your natural instincts. As you swing, allow your arms and legs to do what they need to avoid hitting the head cover.

## Tip 2: 2x4 Wood

If you still found yourself shanking the ball after trying the head cover tip, you can adapt the exercise by swapping the head cover with a 2x4 piece of wood. Follow the same steps as in Tip 1. Once you swing, avoid hitting the wood. This exercise will encourage the Pavlov effect: Your body should eventually learn the swing you need to not hit the wood.

Tip courtesy of Randy Chang | Golf Tips Magazine<sup>[19]</sup>



## Avoid Dehydration

With summer in full swing, becoming dehydrated can happen easily. Everyday activities such as gardening or running errands can exhaust you when you are out in the sun and humidity. Fortunately, you can take preventive steps to help you avoid dehydration.

Here are key tips to keep in mind:

- **Drink water during exercise:** Rather than drink water only before or after you engage in physical activity, stay hydrated during exercise by drinking water every 15 to 20 minutes.
- **Increase water consumption on high-protein diets:** If you must eat a diet rich in protein, you'll need to make sure you drink 8 to 12 glasses of water daily.
- **Pay attention to dizziness or lightheadedness:** If you notice that you become dizzy or lightheaded while doing any outdoors activities, promptly stop what you're doing and rest in a cool environment.

Tip courtesy of WebMD<sup>[20]</sup>



## Improve Your Home Environment with Natural Lighting

Natural light can do wonders to brighten and freshen rooms. Studies show that sunshine also has positive effects on the body. When exposed to sunlight, we can do everything from producing more serotonin to potentially healing faster from surgeries. By swapping out your artificial lights with natural lighting, you will also decrease the amount you rely on electricity.



Here are some ways to improve natural lighting at home:

- **Keep your windows clean:** When dust and dirt collects on your window, it decreases the amount of light you let in. Keep the windows clean to maximize your sunlight.
- **Swap wood doors with sliding glass doors:** Glass doors will allow additional light to come in, which can help you cut down on energy from light bulbs.
- **Paint your walls with lighter colors:** Dark paint absorbs sunlight that comes in through the windows. Paint your walls with light colors to reflect sunlight and brighten your space.
- **Hang a large mirror:** Install a large mirror on the wall opposite of a window. Doing so will double the amount of light and reflect it more deeply throughout the room.

Tip courtesy of Care2.com<sup>[21]</sup>

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### ***Share the Wealth of Knowledge!***

*Please share this market update with family, friends, or colleagues. If you would like us to add them to our list, simply click on the "Forward email" link below. We love being introduced!*



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Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia and Southeast Asia.

The S&P/Case-Shiller Home Price Indices are the leading measures of U.S. residential real estate prices, tracking changes in the value of residential real estate. The index is made up of measures of real estate prices in 20 cities and weighted to produce the index.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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