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Markets Bounce Back WEEKLY UPDATE - AUGUST 28, 2017

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After several weekly losses, the major domestic indexes all ended in positive territory on Friday, August 25. The S&P 500 gained 0.72%, the Dow was up 0.64%, and the NASDAQ added 0.79% for the week.^[1] International stocks in the MSCI EAFE also increased by 0.58%.^[2]

Last week provided a number of economic updates, and a report from Fed Chair Janet Yellen helped push the markets higher.^[3] Rather than providing a rundown of every report, we want to focus on two in particular that give key information on economic health - and a reminder to look beyond the headlines.

Beyond the Headlines in Housing and Manufacturing

1. Housing Drops

The headlines: Sales of both new and existing homes fell in July.^[4]

The deeper story: Relatively few existing houses are available for purchase. In addition, builders are focusing on more lavish new homes rather than the modest ones that many buyers seek. As a result, the median price of a new home hit its highest July level ever, climbing to \$313,700 - 6% higher than this time last year.^[5] Existing home prices are also 6.2% above where they were in July 2016.^[6]

The takeaway: High prices may be excluding first-time homebuyers from the market - especially for new houses.^[7]

2. Manufacturing Declines

The headlines: Durable goods orders plunged by 6.8%.^[8]

The deeper story: The headline's stated monthly decline is largely due to a sharp drop-off in orders for transportation equipment, in particular for civilian aircraft. However, if you dig deeper, you will see that July's civilian aircraft decrease follows a massive 129.3% increase in June, calming any concerns about the aircraft industry.^[9] Overall, orders for core goods beat expectations and could help drive a higher reading for second quarter GDP.^[10]

The takeaway: Orders and shipments for many key goods increased in July, which points to positive sentiment among businesses - and good news for the economy.^[11]

On the Horizon

This week, we will receive the second reading of second-quarter GDP, as well as both Consumer Confidence and Consumer Sentiment updates. Furthermore, according to President Trump's Chief Economic Advisor, an announcement on tax reforms will occur on August 30.^[12] Together, these reports could affect market behavior and indicate both where the economy has been and what may be on the horizon.

As always, while we pay attention to today's headlines and updates, our focus remains solidly on how to move you toward the future you desire. Should you have any questions, we are here to help.


ECONOMIC CALENDAR

Tuesday: Consumer Confidence

Wednesday: GDP, ADP Employment Report

Thursday: Personal Income and Outlays

Friday: Motor Vehicle Sales, PMI Manufacturing Index, ISM Mfg Index, Consumer Sentiment

 Forward to a Friend

DATA AS OF 8/25/2017	1 WEEK	SINCE 1/1/17	1 YEAR	5 YEAR	10 YEAR
STANDARD & POOR'S 500	0.72%	9.12%	12.45%	11.60%	5.14%
DOW	0.64%	10.38%	18.24%	10.64%	5.01%
NASDAQ	0.79%	16.39%	20.21%	15.34%	9.29%
INTERNATIONAL	0.58%	14.48%	13.26%	5.36%	-1.11%
DATA AS OF 8/25/2017	1 MONTH	6 MONTHS	1 YEAR	5 YEAR	10 YEAR
TREASURY YIELDS (CMT)	0.99%	1.11%	1.23%	1.77%	2.17%

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



*"I believe every human has a finite number of heartbeats.
I don't intend to waste any of mine."*

- Neil Armstrong

RECIPE OF THE WEEK



Grilled Halibut and Fresh Mango Salsa



Serves 4

Ingredients:

- 2 cups plum tomatoes, seeded and diced
- 1-½ cups diced peeled ripe mango
- ½ cup diced onion
- ½ cup chopped fresh cilantro
- 2 TBSP fresh lime juice
- 1 TBSP cider vinegar
- 1 tsp sugar
- 1 tsp salt, divided
- 1 tsp black pepper, divided
- 2 cloves garlic, minced
- 4 (6-ounce) halibut fillets
- 1 TBSP olive oil

Directions:

1. Prepare grill.
2. Combine first 7 ingredients. Stir in ½ tsp salt, ½ tsp pepper, and garlic.
3. Rub halibut with oil; sprinkle with ½ tsp salt and ½ tsp pepper. Place fish on grill rack; grill 3 minutes on each side or until fish flakes easily when tested with a fork. Serve with mango salsa.

Recipe adapted from My Recipes^[13]

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TAX TIPS

Department of
U.S. Individual



File Form 1040X to Amend a Tax Return*

Mistakes happen - they even happen on tax returns. You can correct information by filing an amended tax return. This includes making changes to filing status and dependents or correcting income credits or deductions. Do not worry about filing an amended return to correct mistakes in math; the IRS will correct those.

Here are some tips the IRS offers on how to amend a tax return:

1. **File using paper form.** Use Form 1040X, Amended U.S. Individual Income Tax Return, to correct errors on an original tax return the taxpayer has already filed.
2. **Use separate forms for each tax year.** Taxpayers amending tax returns for more than one year will need a separate 1040X for each tax year.
3. **Wait to file your corrected refund for tax year 2016.** Taxpayers should wait for the refund from their original tax return before filing an amended return.
4. **Pay additional tax.** Taxpayers filing an amended return because they owe more tax should file Form 1040X and pay the tax as soon as possible. This will limit interest and penalty charges.
5. **Track your amended return.** Taxpayers can track the status of an amended return three weeks after filing.

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^[14]



How to Use a Lob Wedge

Golfers sometimes face a situation in which they have little turf to work with to get their ball onto the green. Or they must chip the ball over a bunker with little landing area. The lob wedge is a perfect tool for these difficult shots. Its 60-degree loft is ideal for a 60-yard distance or less.

- Position the ball close to your feet and not far back in your stance.
- Open your stance so your feet and body are aligned slightly left of the target.
- Grip down on the club for more control.
- Make your backswing steeper than you would for a normal chip or pitch shot. Keep your wrists cocked just before impact and pull the club down to the ball with your arms and body weight.
- Follow through with your right shoulder lower than your left. Your head should naturally turn to face the target. Stay balanced in the completion of your follow-through.

Tip courtesy of Golf Week Magazine^[15]



Flu Season is Around the Corner

Flu is a contagious respiratory disease that infects the nose, throat, and lungs. People often confuse the common cold for flu because the symptoms are similar. Be that as it may, colds are usually milder than flu. Flu can lead to serious complications, hospitalization, or even death. Pneumonia and bronchitis are examples of serious flu-related complications.

The Centers for Disease Control, along with the American Academy of Pediatrics, the American Medical Association, the National Foundation of Infectious Diseases, and other organizations, recommend getting a flu vaccine each year because new vaccines are developed to protect against flu viruses that research shows will be most common that year.

While how well the flu vaccine works can vary, the CDC says there are plenty of good reasons to get a flu vaccination every year. Flu vaccines can:

- Keep you from getting sick from flu.
- Help protect people who are at greater risk of getting seriously ill from flu, like pregnant women, older adults, people with chronic health conditions, and

young children (especially infants younger than 6 months old who are too young to get vaccinated).

- Possibly make your illness milder if you do get sick.
- Reduce the risk of more serious flu outcomes, like hospitalizations.

Tip courtesy of CDC^[16]



Green Tips for Fall

As the leaves are turning color and dropping from the trees, keep the green alive - with this year's fall cleaning, that is. Follow our eco-friendly and energy saving tips to have your home ready for when the wintry weather comes upon us while shrinking your carbon footprint at the same time.

Check your thermostat. When the weather starts to get cooler, we all tend to reach for the thermostat. Instead reach for a sweater, use draft stoppers in doorways, and invest in a programmable thermostat - just don't turn the heat up. If your furnace is more than 15 years old, consider replacing it with an energy-efficient model.

Compost. Autumn is the perfect time to start a compost pile or bin in your backyard (or inside, with a special composting bin). Even if you don't have a large garden or yard, you can still benefit from composting - it enriches soil and reduces the need for water, fertilizers, and pesticides. If you keep a small garden or containers, those plants will love the extra nutrients, too.

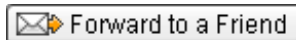
Conserve with your water heater. Most water heaters operate efficiently at 120 degrees Fahrenheit (49 degrees Celsius). Keeping the lower temperature could help increase the lifespan of the heater. For every 10 degrees you lower the water temperature, you can save between 3% and 5% in utility costs. Additionally, wrapping an insulating blanket around your water heater will help save energy this winter, possibly as much as 4% to 9% in water heating costs.

Conduct an energy audit. Do it yourself or hire a professional service to do it for you. According to the U.S. Department of Energy, sealing leaks around the house could potentially save you anywhere from 5% to 30% in energy costs. Check in places big and small - from electrical outlets to window frames, from baseboards to gaps around pipes. Check your basement and attic, too. Caulk and seal around plumbing and wiring leaks and gaps, and anywhere you feel a draft coming in around windows and doors.

Tip courtesy of How Stuff Works^[17]

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!



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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[1] <http://performance.morningstar.com/Performance/index-c/performance-return.action?t=SPX@ion=usa&culture=en-US>

<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=IDJI@ion=usa&culture=en-US>

<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=@CCO>

[2] <https://www.msci.com/end-of-day-data-search>

[3] <https://www.cnbc.com/2017/08/25/us-stocks-central-bank-jackson-tax-reform.html>

<https://www.cnbc.com/2017/08/25/ecbs-mario-draghi-says-global-recovery-is-firming-up-euro-climbs.html>

[4] <https://www.cnbc.com/2017/08/23/heres-why-new-home-sales-tanked.html?recirc=taboolainternal>

<https://www.cnbc.com/2017/08/24/july-us-existing-home-sales.html>

- [5] <https://www.cnn.com/2017/08/23/heres-why-new-home-sales-tanked.html?recirc=taboolainternal>
- [6] <https://www.cnn.com/2017/08/24/july-us-existing-home-sales.html>
- [7] <https://www.cnn.com/2017/08/23/heres-why-new-home-sales-tanked.html?recirc=taboolainternal>
- [8] <http://wsj-us.econoday.com/byshoweventfull.asp?fid=477410&cust=wsj-us&year=2017&lid=0&prev=/byweek.asp#top>
- [9] <http://www.reuters.com/article/us-usa-economy-durablegoods-idUSKCN1B51HJ?il=0>
- [10] <http://wsj-us.econoday.com/byshoweventfull.asp?fid=477410&cust=wsj-us&year=2017&lid=0&prev=/byweek.asp#top>
- [11] <http://www.reuters.com/article/us-usa-economy-durablegoods-idUSKCN1B51HJ?il=0>
- [12] <https://www.cnn.com/2017/08/25/us-stocks-central-bank-jackson-tax-reform.html>
- [13] <http://www.myrecipes.com/recipe/grilled-halibut-fresh-mango-salsa>
- [14] <https://www.irs.gov/uac/newsroom/file-form-1040x-to-amend-a-tax-return>
- [15] <http://golftips.golfweek.com/use-lob-wedge-1306.html>
- [16] <https://www.cdc.gov/Features/FLU/>
- [17] <http://home.howstuffworks.com/green-living/fall-green-cleaning-tips.htm>

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