

THE WEEK IN REVIEW

Greater than expected jobless claims and skepticism in Congress that a new stimulus deal could be reached by the November election weighed down on equities this week. The S&P 500 and Dow Jones equity indexes experienced their fourth consecutive weekly decline. The tech heavy NASDAQ equity index snapped its third consecutive weekly decline with a slight gain. The NASDAQ, however, is down 6.8% over the past four weeks; steeper than the declines of 6.1% for the S&P 500 and 5.3% for the Dow Jones equity indexes over the same time span. On Wednesday, Chicago Federal Reserve President Charles Evans made a hawkish comment on interest rates, saying the Fed won't raise rates until inflation reaches 2%, sustainably. Most policymakers believe this won't be met before the end of 2023. In response to the news the U.S treasury curve has declined on the long end.

U.S. home sales surged to their highest level in nearly 14 years in August as the housing market continued to outperform the overall economy. According to the report from the National Association of Realtors, existing-home sales increased 2.4% to a seasonally adjusted annual rate of 6 million units last month, the highest level since December 2006. August's increase in homes sales, which marked three straight months of gains, was in line with economists' expectations. Sales of new U.S. single-family homes also increased to their highest level since 2006, rising by 4.8% to a seasonally adjusted annual rate of 1.011 million units last month.

Orders for long-lasting factory goods increased for the fourth consecutive month in August, a sign of the manufacturing industry's continued recovery from COVID-19-related disruptions. According to the Commerce Department, new orders for durable goods rose 0.4% in August compared with July. The August increase was at a slower pace than earlier in the summer, when orders rebounded following a collapse in demand at the beginning of the pandemic. Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, rose 1.8% last month.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
New Home Sales (Thousands Annualized)	1011	698	▲
Existing Home Sales (Millions Annualized)	6.00	3.91	▲
Durable Goods Orders	0.4%	15.0%	▼
Initial Jobless Claims (Thousands)	870	1482	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	27173.96	-1.75%	-4.78%	0.75%
NASDAQ	10913.56	1.11%	21.63%	35.11%
S&P 500	3298.46	-0.63%	2.09%	10.51%
MSCI EAFE	1830.90	-4.23%	-10.11%	-3.12%
Bbg Barclays Aggregate US	2378.49	-0.03%	6.90%	7.49%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	0.09%	0.09%	1.88%
10-Year Treasury	0.65%	0.68%	1.74%

REPORTS DUE NEXT WEEK	LATEST
Non-Farm Payrolls	1,371,000
Core PCE Price Index (Y/Y)	1.25%
U. of Mich. Consumer Sentiment	78.9

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.