

*In this week's recap: a gain in existing home sales, a dip for consumer sentiment, more pain for the oil sector, and more losses for the big three.*

# Weekly Economic Update

---

*Presented by Rhonda Heineman CFP®, November 26, 2018*

## SUDDENLY, MORE HOMES SELL

Existing home sales improved in October for the first time in seven months. The National Association of Realtors announced a 1.4% monthly increase, while also noting that the annualized sales pace was 5.1% slower than it had been 12 months earlier. Across the year ending in October, the median sales price for an existing home rose 3.8%. There were 4.3 months of housing inventory listed last month, corresponding to the definition of a “tight” market among real estate professionals.<sup>1</sup>

## AT THANKSGIVING, CONSUMER SENTIMENT WEAKENS

In its final November edition, the University of Michigan's consumer sentiment index fell to a mark of 97.5, 1.1 points under its final October level. Analysts polled by Refinitiv anticipated a reading of 98.3. In March, the gauge reached a 14-year peak of 101.4; it has trended downward since.<sup>2</sup>

## WHEN WILL OIL RECOVER?

Next week? Next month? Last week, the commodity lost value again, slumping 7.7% on Friday alone (albeit in thin, post-Thanksgiving trading) to a NYMEX settlement of \$50.42. That left light sweet crude 34% below its close on October 3. Oil industry analysts widely believe that OPEC will announce supply cuts at its December 6 meeting.<sup>3</sup>

## A SHORT WEEK BRINGS SIGNIFICANT DESCENTS

Oil's troubles also affected equities, which were already hindered by investor pessimism in the days near Thanksgiving. The S&P 500 stumbled 3.79% across an abbreviated trading week, down to 2,632.56 at Friday's closing bell. Thanksgiving week also saw the Dow Industrials slide

4.44% to 24,285.95. The Nasdaq Composite lost 4.26% in three-and-a-half trading sessions to fall to 6,938.98.<sup>4</sup>

---

#### TIP OF THE WEEK



*If your college student has a chance to enter **a work-study program**, you may worry that the part-time job and the course load will prove too much to handle. Most work-study programs set reasonable limits on the hours students work, however, and the job experience can help build your student's resume.*

---

#### THIS WEEK

On Monday, nothing major is scheduled. | The Conference Board's November consumer confidence index appears Tuesday, plus earnings from Cracker Barrel, Salesforce, and Stein Mart. | Federal Reserve Chairman Jerome Powell delivers a speech on monetary policy in New York on Wednesday, shortly before the closing bell; investors will also interpret the latest new home sales report from the Census Bureau, the second estimate of Q3 GDP, and earnings news from Burlington Stores, Chico's FAS, Dick's Sporting Goods, Guess, La-Z-Boy, J.M. Smucker, and Sportsman's Warehouse. | Thursday, minutes from the most recent Federal Reserve policy meeting arrive, along with October consumer spending figures, the NAR's October pending home sales report, a new initial jobless claims report, and earnings from Abercrombie, Dell Technologies, Dollar Tree, Express, GameStop, HP, Kirkland's, and TD Bank. | Friday, the G20 summit starts in Buenos Aires, and with it, the possibility of renewed trade talks between the U.S. and China.

---

#### QUOTE OF THE WEEK



“Sometimes the questions are **complicated**, and the answers are **simple**.”

THEODORE SEUSS GEISEL

---

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-1.75	3.09	10.24	18.76
NASDAQ	0.52	0.72	14.77	37.14
S&P 500	-1.54	1.16	9.17	20.91

REAL YIELD	11/23 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	1.09	0.50	0.56	3.11

Sources: ft.com, bigcharts.com, treasury.gov - 11/23/18<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.

---

## THE WEEKLY RIDDLE



What **two things** will you never eat for dinner?

LAST WEEK'S RIDDLE: What goes back and forth all the time while keeping time, causing a bit of noise only some of the time?

ANSWER: A pendulum.

---

Rhonda may be reached at 402-505-9333 or [Rhonda@heinemanfinancial.com](mailto:Rhonda@heinemanfinancial.com)  
[www.heinemanfinancial.com](http://www.heinemanfinancial.com)

### Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

---

Securities offered through Cambridge Investment Research, Inc., a Broker/Dealer, Member FINRA/SIPC. Investment Advisor Representative, Cambridge Investment Research, Inc., A Registered Investment Advisor. Heineman Financial Strategies & Cambridge are not affiliated."

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. The information herein has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. 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 market indices discussed are unmanaged and are not illustrative of any particular investment. Indices do not incur management fees, costs, or expenses. Investors cannot invest directly in indices. All economic and performance data is historical and not indicative of future results. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is a 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 a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. 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. MarketingPro, Inc. is not affiliated with any person or firm that may be providing this information to you. 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 - bloomberg.com/news/articles/2018-11-21/u-s-existing-home-sales-rise-for-first-time-in-seven-months [11/21/18]
- 2 - cnbc.com/2018/11/21/consumer-sentiment-final-november-reading.html [11/21/18]
- 3 - cnbc.com/2018/11/23/oil-prices-slump-to-their-lowest-level-of-2018-even-as-opec-considers-cuts.html [11/23/18]
- 4 - markets.ft.com/data/world [11/23/18]
- 5 - markets.wsj.com/us [11/23/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=11%2F24%2F17&x=0&y=0 [11/23/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=11%2F24%2F17&x=0&y=0 [11/23/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=11%2F24%2F17&x=0&y=0 [11/23/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=11%2F22%2F13&x=0&y=0 [11/23/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=11%2F22%2F13&x=0&y=0 [11/23/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=11%2F22%2F13&x=0&y=0 [11/23/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=11%2F24%2F08&x=0&y=0 [11/23/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=11%2F24%2F08&x=0&y=0 [11/23/18]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=11%2F24%2F08&x=0&y=0 [11/23/18]
- 7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [11/23/18]
- 8 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [11/23/18]