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Weekly Economic News & Updates

Citizens SAVINGS & LOAN ASSOC., FSB

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GENERAL MARKET UPDATE

This morning, the Commerce Department is expected to release its report on Factory Orders for November, thus guaranteeing that this week's market news will be more exciting than last night's football game. Surveys indicate that analysts expect a rise of 0.3% following the previous month's decline of over 2%. A related report on Durable Goods Orders should show an increase of 1.5% for that measure. And perhaps lost in all the pre-Super Bowl giddiness was late Friday's release by the Atlanta Fed that its GDPNow model downgraded Q4 GDP to 2.5% from 2.7%. Markets are still waiting for the Bureau of Economic Analysis (BEA) to publish its delayed-since-January 30th initial "flash" estimate of last year's fourth quarter. Investors are hoping that it will reveal a little more "production" than last night's fourth quarter.

Tomorrow, for all you adrenalin junkies, the Institute of Supply Management (ISM) will likely reveal that its non-manufacturing, services Index slipped a bit to 57 from December's 58. A similar, private measurement from Markit Services will show it was pretty much unchanged. The latest tally on the nation's Trade Balance might come out on Wednesday, and it might show a slight narrowing of that deficit. And speaking of deficits, the Treasury will sell another $27B of Ten-Year notes on the same day to help finance the nation's budgetary one. That makes the $19B Thirty-Year auction on Thursday look modest. On Friday, we'll see how non-governmental indebtedness is trending when the Federal Reserve releases its report on Consumer Credit for December. That report may show that consumer debt only grew by about $16B in December after November's surge of $22B. In America, that's practically austerity!

And since typing began on this missive, the actual Factory Orders report was released and, oops, the expected rise of 0.3% became an actual decline of 0.6%. Along with it, the anticipated 1.5% boost in Durable Goods Orders came in slightly less than half of that. Disappointing results, but still more interesting than Super Bowl 53.

Markets are beginning the week with an apparent lack of interest in anything, with equities opening weakly while the oil leak in Treasury prices has pushed the Ten-Year's yield up a few basis points to 2.72%. The curve still displays a negative slope between one and five years.

WEEKLY QUOTE

"Have patience with all things, but chiefly have patience with yourself." ~ St. Francis De Sales

WEEKLY TIP

Does your employer offer long-term disability coverage in its benefit package? Do you know how much income that coverage would pay out if you become disabled? Check to see if the income would be adequate; if it appears inadequate, consider arranging supplement coverage.

WEEKLY RIDDLE

You can throw a ball 25' and make it come right back to you, without the ball hitting anything or being caught by anyone. How can you make this happen?

Last week's answer:
Light

Sources: MarektingPro, Financial Strategies Group, The Baker Group, wsj.com, bigcharts.com, treasury.gov, Randy Baker and Chris Low and Rebecca Kooshak FTN Financial

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